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October 16, 2008

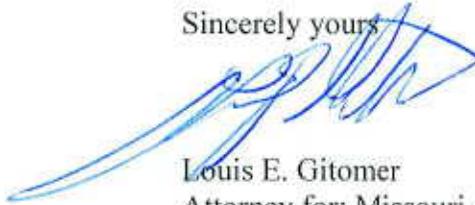
Honorable Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

RE: Docket No. 42102, *Railroad Salvage & Restoration, Inc.—Petition for Declaratory Order—Reasonableness of Demurrage Charges*
Docket No. 42103, *G.F. Wiedeman International, Inc.—Petition for Declaratory Order—Reasonableness of Demurrage Charges*

Dear Acting Secretary Quinlan:

Enclosed for e-filing is the Response of the Missouri & Northern Arkansas Railroad Company, Inc. to Petitioner's Opening Statement. Thank you for your assistance. If you have any questions please call or email me.

Sincerely yours



Louis E. Gitomer
Attorney for: Missouri & Northern Arkansas
Railroad Company, Inc.

BEFORE THE
SURFACE TRANSPORTATION BOARD

Docket No. 42102

RAILROAD SALVAGE & RESTORATION, INC.
—PETITION FOR DECLARATORY ORDER—
REASONABLENESS OF DEMURRAGE CHARGES

Docket No. 42103

G.F. WIEDEMAN INTERNATIONAL, INC.
—PETITION FOR DECLARATORY ORDER—
REASONABLENESS OF DEMURRAGE CHARGES

RESPONSE OF MISSOURI & NORTHERN ARKANSAS RAILROAD COMPANY, INC.

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Attorneys for MISSOURI & NORTHERN
ARKANSAS RAILROAD
COMPANY, INC.

Dated: October 16, 2008

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RESPONSE OF MISSOURI & NORTHERN ARKANSAS RAILROAD COMPANY, INC.

Missouri & Northern Arkansas Railroad Company, Inc. (“M&NA”) responds to the Opening Statement filed on July 7, 2008 (the “Opening Statement”) by Railroad Salvage & Restoration, Inc. (“RS&R”) and G.F. Wiedeman International, Inc. (“GFW”), jointly referred to as “Petitioners.” As demonstrated in this response, M&NA has properly billed Petitioners for demurrage and additional fees under the appropriate tariffs. Therefore, M&NA respectfully requests that the Surface Transportation Board (the “Board”) issue a declaratory order that M&NA is entitled to collect \$182,835.00 in demurrage charges from RS&R plus the additional charges provided for in the tariffs, and \$11,895.00 in demurrage charges from GFW plus the additional charges provided for in the tariffs.

BACKGROUND

M&NA sued RS&R to collect overdue demurrage charges in the United States District Court for the Western District of Missouri, Southwestern Division in No. 07-5017-CV-DW, *Missouri & No. Ark. R. Co. v. Railroad Salvage & Restor., Inc.* RS&R requested referral to the Board and the Court granted the request. RS&R filed a Petition for Declaratory Order with the Board on October 5, 2007 in compliance with the referral from the Court.

M&NA also sued GFW to collect overdue demurrage charges in the Circuit Court of Jasper County, Missouri in No. No. 07AO-CC00112, *Missouri & Northern Arkansas Railroad Company, Inc. v. G.F. Wiedeman International, Inc.* GFW requested referral to the Board and the Court granted the request. GFW filed a Petition for Declaratory Order with the Board on October 29, 2007 in compliance with a referral order from the Court.

Both Court's referred the same issues to the Board. The Board exercised its discretion and instituted proceedings "to resolve the controversies at issue here" and consolidated both proceedings. *Railroad Salvage & Restoration, Inc.—Petition for Declaratory Order—Reasonableness of Demurrage Charges*, STB Docket No. 42102 and *G.F. Wiedeman International, Inc.—Petition for Declaratory Order—Reasonableness of Demurrage Charges*, STB Docket No. 42103 (STB served December 20, 2007).

M&NA is a Class III short line railroad that operates in Arkansas and Missouri. M&NA and the Union Pacific Railroad Company ("UP") entered a Lease on December 11, 1992. Pursuant to the Lease, UP leases to M&NA the rail lines between: (1) milepost 643.3, at Pleasant Hill, MO, and milepost 527.9, at Carthage, MO; (2) milepost 316.9, at Nevada, MO, and milepost 265.2, end of track at Clinton, MO; (3) milepost 317.2, at Carthage Sub Jct., MO, and

milepost 337.4, at Ft. Scott, KS; (4) milepost 528.2, at Carthage, MO, and milepost 545.7, at Joplin, MO; (5) milepost 527.9, at Carthage, MO, and milepost 415.7, at Bergman, AR; (6) milepost 381.5, at Cotter and milepost 258.7, at Diaz Jct., AR; and (7) milepost 506.5, at Springfield, MO, and milepost 511.4, at Wallis, MO (the “Leased Lines”).

M&NA purchased from UP the rail lines located between milepost 415.7, at Bergman, AR, and milepost 312.2, at Guion, AR (the “Purchased UP Line”). M&NA also obtained incidental trackage rights from UP: (1) over UP’s line between milepost 643.13, near Pleasant Hill, MO and milepost 276.80, at Neff Yard in Kansas City, MO; (2) over UP’s line between milepost 259.05, near Diaz Jct., AR, and milepost 261.5, near Newport, AR; (3) over BNSF Railway Company’s (“BNSF”) line between milepost 512.02 and milepost 512.13 in Springfield, MO; and (4) over BNSF’s line between chaining station 14187+07, near Aurora, MO, and chaining station 10637+09+2354 feet, near Springfield, MO (the “Incidental Trackage Rights Lines”).¹

M&NA also acquired lines from BNSF’s predecessor between: (1) milepost 334.39, at Iron Gate Street in Joplin, MO, and milepost 330.2, end of track near Tamko, including the Tamko Lead, the West Joplin Industrial Trackage, all tracks formerly owned by BNSF in the KCS rail yard in Joplin and BNSF’s Joplin Yard; and (3) milepost 309.9 and milepost 315.3 in Carthage, MO (the “Purchased BNSF Lines”).²

M&NA provides service to RSR and GFW at their facilities in Joplin, MO.

¹ See, *Missouri & Northern Arkansas Railroad Company, Inc.—Lease, Acquisition and Operation Exemption—Missouri Pacific Railroad Company and Burlington Northern Railroad Company*, ICC Finance Docket No. 32187 (ICC served December 22, 1992).

² See, *Missouri & Northern Arkansas Railroad Company, Inc.—Acquisition and Operation Exemption—The Burlington Northern and Santa Fe Railway Company*, STB Finance Docket No. 33637 (STB served September 29, 1998).

THE DEMURRAGE CHARGES

As relevant to these proceedings, M&NA assessed demurrage charges pursuant to RailTex Demurrage Tariff RATX 6001 (“RATX 6001”) from January 1, 2000 to July 31, 2005, Missouri & Northern Arkansas Railroad Freight Tariff MNA 6001 (“MNA 6001”) from August 1, 2005 to July 25, 2006, and Missouri & Northern Arkansas Railroad Freight Tariff MNA 6001 (“MNA 6001-B”) from July 25, 2006 to January 31, 2007. The tariffs are attached as Exhibit A to Mr. Tilley’s verified statement (Tilley VS) and are jointly referred to as the “Demurrage Tariffs.” From RSR, M&NA seeks to collect the demurrage charges due on cars that accrued between January 2005 and July 2006, under Tariffs RATX 6001, Item 470C, MNA 6001, Item 500, and in August 2006 and October 2006, under Tariff MNA 6001-B, Item 500. From GFW, M&NA sought to collect the demurrage charges due on cars that moved between September 2006 and January 2007, under Tariff MNA 6001-B, Item 500. M&NA also assesses an additional charge for late payment of one percent per month under Tariff RATX 6001, Item 470J1, and two percent per month under Tariffs MNA 6001 and 6001-B, Item 90.

Demurrage also applies to private cars under the relevant tariffs. “All Railroad and Privately owned cars held for or by consignors or consignees are subject to demurrage rules and charges contained in this section, EXCEPT the following: ... Loaded or empty private cars held on private leased storage tracks.” Item 310, Tariffs MNA 6001 and 6001-B. The same requirement appears in Item 400 C 5 and 6 of Tariff RATX 6001. Under the relevant tariffs, M&NA is required to collect demurrage on private cars unless they are on private leased tracks.

Item 90 in Tariffs MNA 6001 and 6001-B also contains requirements for disputing demurrage charges. It states: “Demurrage charges assessed must be paid in full and disputes for

adjustment together with supporting documentation must be presented in writing to MNA within fifteen (15) days after the date on which the bill for demurrage is rendered.” The same requirements are imposed by Item 470I of Tariff RATX 6001.

ARGUMENT

M&NA has sued the Petitioners to collect the demurrage and additional charges due under the Demurrage Tariffs. The Board has been asked to assist the Courts in determining the amount of demurrage owed to M&NA by the Petitioners. M&NA respectfully requests the Board to determine that M&NA properly applied demurrage to Petitioners, properly billed the demurrage, and that because Petitioners failed to dispute the demurrage under the Demurrage Tariffs, that Petitioners owe M&NA the demurrage billed as well as the additional late payments. IN addition, Mr. Tilley has demonstrated that the claims made for reductions in the demurrage due are improper.

The Demurrage Tariffs enable a shipper to submit disputes concerning demurrage to the railroad. RATX 6001 Item 470I and MNA 6001 and 6001-B Item 90. To properly submit the dispute pursuant to the tariff, the demurrage must be paid, the dispute must be submitted in writing and must be file within 30 days under RATX 6001 and 15 days under MNA 6001 and 6001-B. Petitioners have failed to comply with the requirements of the Demurrage Tariffs in submitting the disputes.

In discovery M&NA sought information concerning the use of the dispute process of Item 90 by RS&R and GFW. With regard to Item 470I and Item 90, the following discovery requests and responses occurred between M&NA and RS&R.³

³ See Exhibit 1 for the full discovery responses of RS&R and GFW.

Interrogatory No. 13. Identify, with reference to the applicable MNA tariff(s), for each rail car described in the Complaint and all other rail cars ordered from MNA by RS&R within the Relevant Period the written claim made by RS&R to MNA seeking relief from any demurrage charge including the date the claim was made in accordance with the requirements of the tariff and describe how the claim was transmitted to MNA.

Response: There were no such written claims. Further responding, RSR states that it made numerous verbal claims that assessment of demurrage charges against it are excessive and unreasonable.

Request for Production No. 2: Produce each written claim presented by RS&R to MNA seeking relief from any demurrage charge with respect to any rail car delivered to the Joplin Facility during the relevant period, along with the demurrage bill to which each such written claim pertains.

Response: See Response to Interrogatory No. 13.

Admission No. 3: Admit or deny for each of the rail cars described in the Complaint and all other rail cars ordered from MNA by RS&R within the Relevant Period that RS&R failed to make claims to MNA in accordance with the appropriate tariff seeking relief from any demurrage charge within the relevant period.

Response: RSR object to the request for information regarding “all other rail cars ordered from MNA” (i.e., cars not involved in the complaint) on the ground that such request seeks information that is neither relevant to, nor reasonably calculated to lead to the discovery of admissible evidence regarding, any issue in this proceeding. Subject to, and without waiving that objection, the request is admitted with the qualification set forth in the response to Interrogatory No. 13.

With regard to Item 470I and Item 90, the following discovery requests and responses occurred between M&NA and GFW.

Interrogatory No. 13. Identify, with reference to the applicable MNA tariff(s), for each rail car described in the Complaint and all other rail cars ordered from MNA by GFWI within the Relevant Period the written claim made by GFWI to MNA seeking relief from any demurrage charge including the date the claim was made in accordance with the requirements of the tariff and describe how the claim was transmitted to MNA.

Response: There were no such written claims. Further responding, GFW states that it made numerous verbal claims that assessment of demurrage charges against it are excessive and unreasonable.

Request for Production No. 2: Produce each written claim presented by GFWI to MNA seeking relief from any demurrage charge with respect to any rail car delivered to the Joplin Facility during the relevant period, along with the demurrage bill to which each such written claim pertains.

Response: See Response to Interrogatory No. 13.

Admission No. 3: Admit or deny for each of the rail cars described in the Complaint and all other rail cars ordered from MNA by GFWI within the Relevant Period that GFWI failed to make claims to MNA in accordance with the appropriate tariff seeking relief from any demurrage charge within the relevant period.

Response: GFW object to the request for information regarding “all other rail cars ordered from MNA” (i.e., cars not involved in the complaint) on the ground that such request seeks information that is neither relevant to, nor reasonably calculated to lead to the discovery of admissible evidence regarding, any issue in this proceeding. Subject to, and without waiving that objection, the request is admitted with the qualification set forth in the response to Interrogatory No. 13.

By their own admission, RS&R and GFW failed to comply with the requirements of Item 470I and Item 90 in the MNA 6001 Tariff.

The Board has held that where a shipper fails to abide by the dispute terms of a tariff, the shipper is precluded from raising any defenses for the non-payment of demurrage. *Savannah Port Terminal Railroad, Inc.-Petition for Declaratory Order-Certain Rates and Practices as Applied to Capital Cargo, Inc.*, STB Finance Docket No. 34920 (STB served May 30, 2008) at 10. M&NA contends that the Board’s inquiry could end here and that the Board could report to the Courts that Petitioners have waived their defenses for non-payment of demurrage because they did not comply with the requirements of the Demurrage Tariffs.

The Board has noted an exception in demurrage proceedings by looking at the purpose of the demurrage charged. The Board has determined that demurrage is properly charged if it serves either as a penalty for undue car detention, encouraging the efficient use of rail cars in the rail network, or if it compensates rail carriers for the expenses incurred when rail cars are detained by shippers beyond a period of free time. *Id.* at 10-11. As explained by Mr. Tilley, M&NA charges Petitioners demurrage for both reasons.

For railroad and TTX owned cars, M&NA incurs an expense in the form of car hire or ownership costs for the cars. For all cars, the inability of Petitioners to receive cars on their jointly used track in Joplin, MO causes M&NA, as a Class III railroad, to use its limited track facilities for the storage of Petitioners cars. This undue car detention creates inefficiency on the M&NA. If Petitioners had track more suited for their volume, the cars used to serve them would be moved through the system more quickly. Hence, the assessment of demurrage by M&NA to the Petitioners advances the objectives of demurrage.

Contrary to Petitioners' assertions, it is not M&NA's responsibility to make such track available to Petitioners. Petitioners are two of the most difficult customers that M&NA must deal with. Petitioners treat M&NA's employees in an abusive manner, often resorting to profanity and personal attacks. Petitioners demand more than reasonable service, but are unwilling to enter contracts to specify the parameters, terms and compensation for that service. As a common carrier, M&NA does provide reasonable service on reasonable demand to Petitioners.

Mr. Tilley has explained why the analysis made by Ms. Grissom is incorrect. M&NA followed the requirements of the Demurrage Tariffs in assessing and billing demurrage and additional charges.

1. The 49 Cars. Petitioners claim that collection of demurrage on 49 cars would be improper because those cars moved railroad owned material. Opening at 6. However, as explained by Mr. Tilley, those cars did not contain M&NA owned material. The Demurrage Tariffs are clear that the material must be owned by M&NA, not other railroads. Tariff RATX 6001, Item 400C1 contains an exception for “‘Railroad’ company material.” The term “Railroad” is defined as “railroads listed as a participating carrier.” Item 470. The participating carrier list in the Tariff contains the names of RailAmerica subsidiaries including M&NA, but not any Class I railroads. In Tariffs MNA 6001 and 6001-B, Item 310A, there are exceptions for “MNA company material.” In the Demurrage Tariffs, the exception from demurrage applies only to rail cars containing material owned by M&NA. Petitioners have not demonstrated that any of the cars contain M&NA company material. Moreover, Mr. Tilley demonstrates that these were not cars moving company material, but were cars moving railroad scrap for the benefit of Petitioners.

The interrogatory response provided by M&NA was in response to a specific interrogatory concerning information provided orally at a meeting. Petitioners did not seek to obtain information as to the specific cars or the movement of the traffic. Indeed, the interrogatory response provided the specific information requested by Petitioners, without indicating whether that information was accurate or not, which it was not. The car hire relief referred to, but not proven to exist by Petitioners, does not make the demurrage an unreasonable

practice. Car Hire relief could have been granted for any number of reasons, if it was granted at all. Moreover, pursuant to the Demurrage Tariffs, if Petitioners wanted to challenge the demurrage charges, they would have had to pay the charges and submit a written challenge, which they did not do.

2. The Private Cars. Petitioners next challenge demurrage imposed on so-called private cars. However, as demonstrated by Mr. Tilley, the cars that Petitioners consider “private” are owned by TTX. M&NA is charged car hire for TTX cars. Therefore, it is appropriate for M&NA to charge demurrage for TTX cars. Again, Petitioners failed to dispute this issue under the provisions of the Demurrage Tariffs and should be precluded from now raising this defense, even though they are wrong.

3. The Date of Constructive Placement. Mr. Tilley also refutes the claim that M&NA did not provide Petitioners with the date of constructive placement of rail cars. Exhibit C to Mr. Tilley’s verified statement contains fax notifications to Petitioners of the constructive placement of the cars. The date on the fax is the date of constructive placement. Petitioners apparently failed to retain any of the business records involved in the demurrage process, and instead relied upon M&NA incurring the cost and producing such information in discovery. The lack of diligence in retaining necessary business records further demonstrates the difficulties that M&NA incurs in trying to conduct a professional business relationship with Petitioners. Again, Petitioners failed to dispute this issue under the provisions of the Demurrage Tariffs and should be precluded from now raising this defense, even though they are wrong.

4. Petitioners have not proven that they could accept actual placement. Petitioners contend that because their track is long enough to hold 15 rail cars that M&NA was required to

place cars on their track whenever there were less than 15 cars present. Mr. Tilley refutes this claim in his verified statement. Petitioners adopt a simplistic and unrealistic position. They seek to lead the Board to believe that the railroad industry is static and that the length of a track is the sole indicator of the capacity of the track. First, Petitioners do not indicate that they ever communicated to M&NA that there was room on their track. Second, there may have been room at the M&NA end of the track, but placing cars on the track would have caused gridlock and required additional switch moves by M&NA at additional costs to Petitioners. Third, the cars on the Petitioners track may not have been next to each other so that there were gaps between the cars eliminating any or all space on the track. Fourth, the available track may have been blocked by other cars sitting on the track near the connection with M&NA. Finally, the study conducted by Ms. Grissom assumes that all of the cars delivered on one day to the track were removed the next. However, if anything is clear from this proceeding, it is that Petitioners allowed cars to accumulate on their tracks. In addition, the study is just a car count and does not address the positioning of the cars.

Again, Petitioners failed to dispute this issue under the provisions of the Demurrage Tariffs and should be precluded from now raising this defense, even though they are wrong.

5. Placement of cars on tracks not owned by Petitioners. Petitioners make the unjustified claim that M&NA cannot charge demurrage because it placed cars on tracks not owned by Petitioners. M&NA placed those cars because there was no room on the Petitioners tracks and M&NA needed to place the cars on other tracks. Demurrage was proper because Petitioners did not make track space available for the cars and did not load or unload them within the free time available under the Demurrage Tariffs.

Again, Petitioners failed to dispute this issue under the provisions of the Demurrage Tariffs and should be precluded from now raising this defense, even though they are wrong.

6. Demurrage paid. M&NA is willing to accept the demurrage paid in January 2007 as a partial payment of the demurrage owed. As discussed in sections 3 and 4 above, constructive placement by M&NA is documented and was justified. Therefore the remainder of the dispute by Petitioners is in error.

Again, Petitioners failed to dispute this issue under the provisions of the Demurrage Tariffs and should be precluded from now raising this defense, even though they are wrong.

7. Collection of additional charges. Pursuant to the Demurrage Tariffs, M&NA is entitled to collect additional payments if demurrage is paid late. RATX 6001, Item J1, MNA 6001 and 6001-B, Item 90. In this proceeding Petitioners are challenging the additional charge for the first time. They did not challenge the charge at the time the tariffs were adopted, nor did they challenge the additional charge in accordance with the dispute provisions of the Demurrage Tariffs.

Petitioners claim that the additional charges constitute an unreasonable penalty. M&NA notes that Petitioners have obviously not seen recent charges for credit card balances. Petitioners contend that the charges in 49 C.F.R. 1141.1(a) should apply to these declaratory order proceedings. However, the interest rates in section 1141.1 apply to complaint or investigation proceedings, not declaratory order proceedings. Moreover, Petitioners are seeking to be rewarded for delaying their payment of demurrage charges and for failing to comply with properly published and noticed tariffs.

Again, Petitioners failed to dispute this issue under the provisions of the Demurrage Tariffs and should be precluded from now raising this defense, even though they are wrong.

8. Conclusion. Petitioners have failed to avail themselves of the dispute provisions under the Demurrage Tariffs. Having failed to comply with the tariff requirements, M&NA urges the Board to conclude that Petitioners have waived all defenses to the demurrage charges sought by M&NA. In addition, Petitioners have waived their challenge to the additional charges due under the Demurrage Tariffs. Accordingly, M&NA requests the Board to advise the relevant Courts that Petitioners have waived their defenses by failing to comply with the Demurrage Tariffs and that the Courts need only calculate the amount of demurrage and additional payments due to M&NA based on M&NA's uncontroverted records.⁴

M&NA, through Mr. Tilley's verified statement and the argument above, has also demonstrated that Petitioners' various claims that M&NA's assessment of the demurrage charges is an unreasonable practice is not supported by the evidence and is incorrect as a matter of law.

⁴ Petitioners failed to produce any records concerning demurrage in discovery in this proceeding. The production of such documents before the Courts would be clear evidence that they have abused the discovery process before the Board.

M&NA respectfully requests the Board to conclude that in Docket No. 42102, RS&R is liable to M&NA for demurrage charges in the amount of \$182,835.00. M&NA respectfully requests the Board to conclude that in Docket No. 42103, GFW is liable to M&NA for demurrage charges in the amount of \$11,895.00. In addition, M&NA respectfully requests the Board to conclude that imposition of the additional charges for late payments provided in the Demurrage Tariffs are not an unreasonable practice and should be added to the demurrage due from the Petitioners.

Respectfully submitted,



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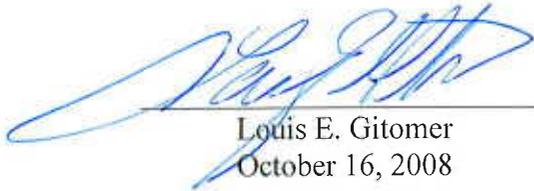
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Attorneys for MISSOURI & NORTHERN
ARKANSAS RAILROAD
COMPANY, INC.

Dated: October 16, 2008

CERTIFICATE OF SERVICE

I hereby certify that I have caused the foregoing document to be served electronically on counsel for Railroad Storage & Restoration, Inc. and G.F. Wiedeman International, Inc.



Louis E. Gitomer
October 16, 2008

EXHIBIT 1-PETITIONERS' DISCOVERY RESPONSES

BEFORE THE
SURFACE TRANSPORTATION BOARD

| | | |
|-------------------------------|---|------------|
| RAILROAD SALVAGE & |) | |
| RESTORATION, INC. -- PETITION |) | |
| FOR DECLARATORY ORDER -- |) | DOCKET NO. |
| REASONABLENESS OF |) | NOR-42102 |
| DEMURRAGE CHARGES |) | |
| |) | |

**RESPONSES AND OBJECTIONS OF
RAILROAD SALVAGE & RESTORATION, INC.
TO FIRST DISCOVERY REQUESTS**

Pursuant to 49 C.F.R. Part 1114, Subpart B, RAILROAD SALVAGE & RESTORATION, INC. (RSR) hereby responds to First Discovery Request submitted by Missouri & Northern Arkansas Railroad Company, Inc. (MNA) on March 31, 2008.

GENERAL OBJECTIONS

RSR's General Objections, set forth herein, apply to each and every one of the specific interrogatories and document requests from MNA. RSR's objections shall not waive, limit, or prejudice any objections it may later assert.

1. RSR objects to any and all definitions and/or instructions to the extent that they either expand upon or conflict with 49 C.F.R. Part 1114, Subpart B. RSR further objects to Applicants' Discovery Requests to the extent that they seek to impose obligations on RSR greater than, or inconsistent with, those imposed under 49 C.F.R. Part 1114, Subpart B.

2. The responses and objections to interrogatories and document requests contained herein are based on information currently known or in the possession of RSR as of the date of

this response. RSR reserves the right to amend its responses and objections as this proceeding continues.

3. RSR reserves the right to challenge the competency, relevance, materiality, or admissibility of, or to object on any ground to, the use of information set forth herein in connection herewith, in any subsequent proceeding, or in further proceedings in the above-referenced docket. To the extent that RSR produces responsive information or documents, RSR does not concede that such information is relevant, material, or admissible into evidence, and any such production is not intended to waive any of RSR's objections to any of the MNA's Discovery Requests.

4. RSR objects to Applicants' Discovery Requests to the extent that they seek information relating to documents prepared, generated, or received in anticipation of or after the commencement of litigation, or to the extent that they seek information protected from disclosure by the attorney-client privilege, attorney work product doctrine, or other applicable privilege. In the event that any such privileged, protected, or exempt information is inadvertently produced or provided, such disclosure or production is not intended, and should not be construed, as a waiver of any applicable privilege, protection, or exemption.

5. RSR objects to Applicants' discovery requests to the extent those requests seek information and/or documents that are neither relevant to the subject matter of this proceeding or are not reasonably calculated to lead to the discovery of admissible evidence.

6. No response contained herein waives nor shall be deemed to waive any claim of privilege as to any information or document not produced.

7. RSR objects to Applicants' instructions, interrogatories, and document requests to the extent that they seek information which would require RSR to undertake a special study. RSR will produce responsive information that it possesses, but will not conduct any further studies.

8. RSR objects to Applicants' discovery requests to the extent those requests seek information and/or documents in RSR's possession that are publicly available and/or are already in MNA's possession.

9. RSR objects to each and every one of MNA's Requests for Production to the extent that it is (a) overly broad; (b) vague and/or ambiguous; (c) fails to describe with reasonable particularity the information sought; or (d) would impose an undue burden or expense on RSR that outweighs any relevance or probative value the information sought may have in this proceeding.

10. RSR objects to the definition of "Document" to the extent that it seeks to impose obligations broader than those imposed by 49 C.F.R. Part 1114. RSR also objects to the definition of "Document" to the extent that it seeks information or data that is privileged, protected by the attorney-client work product doctrine, or otherwise protected, exempted, or excluded from discovery or disclosure by an applicable privilege, protection, rule, or doctrine. In its responses, RSR will interpret the term "Document" as excluding any data or other information that is protected from discovery or disclosure by such privilege, protection, doctrine, or rule.

11. RSR objects to the use of the terms "related to," "relates to," "relating to," and/or "relate to" wherever any such term or terms appear in MNA's Interrogatories and Production Requests as overly broad and unduly burdensome.

Responses to Interrogatories

1. *Please provide a complete description of the Joplin Facility, including, but not limited to, the railroad tracks used by RS&R and all transportation related activities.*

Response: RSR objects to the term “Joplin Facility,” as defined at page 3 of the Discovery Requests, on the ground that it is vague and imprecise. RSR objects to the term “all transportation related activities” on the ground that it is imprecise and unintelligible. Subject to, and without waiving its objections, RSR has attached, as Appendix 1, a depiction of its materials yard, including the railroad tracks in that yard used by RSR. Appendix 1 shows that there are a total of 3,817.2 feet of private trackage in RSR’s materials yard, or roughly 3/4 of a mile of track. That private track is adequate for loading and storage of approximately 63 railcars of 60-foot length.

2. *Identify the tariffs issued by MNA that require RS&R to pay demurrage and storage charges to MNA.*

Response: RSR objects to the form of this interrogatory on the ground that MNA’s tariff provides a basis for assessment of demurrage and storage charges in certain circumstances, but requires RSR to pay demurrage and storage charges to MNA only if those circumstances are proven to have existed. Subject to, and without waiving that objection, RSR has acknowledged, in its answer to MNA’s complaint, that the tariffs named in that complaint provide a basis for assessment of demurrage and storage charges in certain circumstances.

3. *Identify the rail cars described in the Complaint and all other rail cars ordered from MNA by RS&R within the Relevant Period that RS&R claims were constructively placed and the notice of placement given to RS&R to MNA.*

Response: RSR objects to the request for information regarding “all other rail cars ordered from MNA” (i.e., cars not involved in the complaint) on the ground that such request

seeks information that is neither relevant to, nor reasonably calculated to lead to the discovery of admissible evidence regarding, any issue in this proceeding. Subject to, and without waiving that objection, RSR states that it does not believe that MNA provided timely constructive placement notices as to any railcars involved in the Complaint for which demurrage charges allegedly accrued while the railcars were under constructive placement. RSR is seeking confirmation of that belief in discovery submitted to MNA.

4. *Identify the private rail cars described in the Complaint and all other rail cars ordered from MNA by RS&R within the Relevant Period that RS&R claims were held on private tracks.*

Response: RSR objects to the request for information regarding “all other rail cars ordered from MNA” (i.e., cars not involved in the complaint) on the ground that such request seeks information that is neither relevant to, nor reasonably calculated to lead to the discovery of admissible evidence regarding, any issue in this proceeding. Subject to and without waiving that objection, RSR states that all private cars listed in MNA’s invoices to RSR (initials ending in “X”) for which demurrage charges were assessed between the placement dates and the release dates shown on such invoices were private cars held on private tracks.

Identify the rail cars described in the Complaint and all other rail cars ordered from MNA by RS&R within the Relevant Period that were held in MNA’s yard in anticipation of car orders not yet made by RS&R.

Response: RSR objects to the request for information regarding “all other rail cars ordered from MNA” (i.e., cars not involved in the complaint) on the ground that such request seeks information that is neither relevant to, nor reasonably calculated to lead to the discovery of admissible evidence regarding, any issue in this proceeding. Subject to, and without waiving that objection, RSR states that it is informed and believes that demurrage charges on numerous

railcars accrued while the railcars were being held in MNA's yard in anticipation of car orders not yet made by RSR. RSR is seeking confirmation of that belief, and the exact extent thereof, in discovery submitted to MNA.

6. *Identify the rail cars described in the Complaint and all other rail cars ordered from MNA by RS&R within the Relevant Period that RS&R claims it was able to receive, but which were not delivered because of MNA's disability.*

Response: RSR objects to the request for information regarding "all other rail cars ordered from MNA" (i.e., cars not involved in the complaint) on the ground that such request seeks information that is neither relevant to, nor reasonably calculated to lead to the discovery of admissible evidence regarding, any issue in this proceeding. Subject to, and without waiving that objection, RSR states that it is informed and believes that demurrage charges on numerous railcars accrued during periods in which RSR had ordered such cars, but such cars were not delivered because of MNA's disability. RSR is seeking confirmation of that belief, and the extent thereof, in discovery submitted to MNA.

7. *Identify the rail cars described in the Complaint and all other rail cars ordered from MNA by RS&R within the Relevant Period that RS&R claims MNA does not have adequate proof of actual or constructive placement or release.*

Response: RSR objects to the request for information regarding "all other rail cars ordered from MNA" (i.e., cars not involved in the complaint) on the ground that such request seeks information that is neither relevant to, nor reasonably calculated to lead to the discovery of admissible evidence regarding, any issue in this proceeding. Subject to, and without waiving that objection, RSR states that it is informed and believes that MNA does not have adequate proof of actual or constructive placement or release of many or all railcars involved in the Complaint.

RSR is seeking confirmation of that belief, and the extent thereof, in discovery submitted to MNA.

8. *Please identify every rail car described in the Complaint and all other rail cars ordered from MNA by RS&R delivered to the Joplin Facility during the Relevant Period as to which RS&R contends the demurrage charges assessed by MNA are unreasonable. For purposes of this interrogatory, "identify" means to provide for each rail car its (1) initials, (b) number, (c) arrival date and time, (d) constructive placement date and time (if applicable), (e) actual placement date and time, (f) release date and time, and (g) pull date and time.*

Response: RSR object to the request for information regarding "all other rail cars ordered from MNA" (i.e., cars not involved in the complaint) on the ground that such request seeks information that is neither relevant to, nor reasonably calculated to lead to the discovery of admissible evidence regarding, any issue in this proceeding. Subject to, and without waiving that objection, RSR states that its contention as to the demurrage charges on specific cars whose collection would be an unreasonable practice is dependent on information that will be elicited in a pending discovery request directed to MNA. See, also, response to Interrogatory No. 3.

9. *For each of the individual rail cars identified in response to Interrogatory No. 8, describe with specificity, the basis or bases for RS&R's claim that the demurrage charges assessed with respect to such rail car are unreasonable, including, but not limited to, the specific actions taken or not taken by MNA with respect to such rail car that render the assessed demurrage unreasonable.*

Response: See Response to Interrogatory No. 8.

10. *Identify, with respect to the applicable MNA tariff(s), the specific demurrage rate or rates that RS&R contends are unreasonable.*

Response: See Response to Interrogatory No. 8.

11. *For each rate identified in response to Interrogatory No. 10, set forth with specificity all the facts RS&R contends demonstrate the unreasonableness of such rate or the unreasonableness of the application of such rate.*

Response: See Response to Interrogatory No. 8.

12. Identify, with reference to the applicable MNA tariff(s), the specific method or methods by which MNA calculates its demurrage charges that RS&R contends are unreasonable and describe with specificity the basis or bases for such contention.

Response: See Response to Interrogatory No. 8.

13. Identify, with reference to the applicable MNA tariff(s), for each rail car described in the Complaint and all other rail cars ordered from MNA by RS&R within the Relevant Period the written claim made by RS&R to MNA seeking relief from any demurrage charge including the date the claim was made in accordance with the requirements of the tariff and describe how the claim was transmitted to MNA.

Response: There were no such written claims. Further responding, RSR states that it made numerous verbal claims that assessment of demurrage charges against it are excessive and unreasonable.

Response to Document Requests

1. Produce all documents that discuss, refer to, or relate to, the demurrage charges assessed by MNA with respect to the Joplin Facility that accrued during the Relevant Period.

Response: There are no such documents with the exception of correspondence submitted by counsel for RSR that are protected from discovery under the attorney-client privilege.

2. Produce each written claim presented by RS&R to MNA seeking relief from any demurrage charge with respect to any rail car delivered to the Joplin Facility during the relevant period, along with the demurrage bill to which each such written claim pertains.

Response: See Response to Interrogatory No. 13.

3. Produce all requests from RS&R to MNA for the delivery of rail cars during the Relevant Period.

Response: All such requests were verbal.

4. Please produce all documents identified in RS&R's Answers to MNA's Interrogatories.

Response: There are no such documents with the exception of the depiction of RSR's materials yard that is attached as Appendix 1.

Response to Request for Admissions

1 *Admit or deny that RS&R ordered rail cars from MNA during the Relevant Period.*

Response: Admitted.

2 *Admit or deny that there are times when RS&R does not have sufficient capacity at the Joplin Facility to receive the rail cars that it orders.*

Response: RSR objects to this request on the ground that the term "times" is vague and imprecise. Subject to, and without waiving that objection, the request for admission is denied.

3 *Admit or deny for each of the rail cars described in the Complaint and all other rail cars ordered from MNA by RS&R within the Relevant Period that RS&R failed to make claims to MNA in accordance with the appropriate tariff seeking relief from any demurrage charge within the relevant period.*

Response: RSR object to the request for information regarding "all other rail cars ordered from MNA" (i.e., cars not involved in the complaint) on the ground that such request seeks information that is neither relevant to, nor reasonably calculated to lead to the discovery of admissible evidence regarding, any issue in this proceeding. Subject to, and without waiving that objection, the request is admitted with the qualification set forth in the response to Interrogatory No. 13.

Respectfully submitted,

Thomas F. McFarland

Thomas F. McFarland
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(312) 236-0204 (ph)
(312) 201-9695 (fax)
mcfarland@aol.com
*Attorney for Railroad Salvage &
Restoration, Inc.*

DATED: April 30, 2008

APPENDIX 1

CERTIFICATE OF SERVICE

I hereby certify that I served the foregoing document, Responses and Objections of Railroad Salvage & Restoration, Inc. to First Discovery Requests, by e-mail and UPS overnight mail on Louis E. Gitomer, Esq., Law Offices of Louis E. Gitomer, 600 Baltimore Avenue, Suite 301, Towson, MD 21204, Lou_Gitomer@verizon.net.

Thomas F. McFarland

Thomas F. McFarland

BEFORE THE
SURFACE TRANSPORTATION BOARD

| | | |
|-----------------------------|---|------------|
| G.F.WEIDEMAN INTERNATIONAL, |) | |
| INC. -- PETITION FOR |) | |
| DECLARATORY ORDER -- |) | DOCKET NO. |
| REASONABLENESS OF |) | NOR-42103 |
| DEMURRAGE CHARGES |) | |
| |) | |

**RESPONSES AND OBJECTIONS OF
G.F. WEIDEMAN INTERNATIONAL, INC.
TO FIRST DISCOVERY REQUESTS**

Pursuant to 49 C.F.R. Part 1114, Subpart B, G.F. WEIDEMAN INTERNATIONAL, INC. (GFW) hereby responds to First Discovery Request submitted by Missouri & Northern Arkansas Railroad Company, Inc. (MNA) on March 31, 2008.

GENERAL OBJECTIONS

GFW's General Objections, set forth herein, apply to each and every one of the specific interrogatories and document requests from MNA. GFW's objections shall not waive, limit, or prejudice any objections it may later assert.

1. GFW objects to any and all definitions and/or instructions to the extent that they either expand upon or conflict with 49 C.F.R. Part 1114, Subpart B. GFW further objects to Applicants' Discovery Requests to the extent that they seek to impose obligations on GFW greater than, or inconsistent with, those imposed under 49 C.F.R. Part 1114, Subpart B.

2. The responses and objections to interrogatories and document requests contained herein are based on information currently known or in the possession of GFW as of the date of

this response. GFW reserves the right to amend its responses and objections as this proceeding continues.

3. GFW reserves the right to challenge the competency, relevance, materiality, or admissibility of, or to object on any ground to, the use of information set forth herein in connection herewith, in any subsequent proceeding, or in further proceedings in the above-referenced docket. To the extent that GFW produces responsive information or documents, GFW does not concede that such information is relevant, material, or admissible into evidence, and any such production is not intended to waive any of GFW's objections to any of the MNA's Discovery Requests.

4. GFW objects to Applicants' Discovery Requests to the extent that they seek information relating to documents prepared, generated, or received in anticipation of or after the commencement of litigation, or to the extent that they seek information protected from disclosure by the attorney-client privilege, attorney work product doctrine, or other applicable privilege. In the event that any such privileged, protected, or exempt information is inadvertently produced or provided, such disclosure or production is not intended, and should not be construed, as a waiver of any applicable privilege, protection, or exemption.

5. GFW objects to Applicants' discovery requests to the extent those requests seek information and/or documents that are neither relevant to the subject matter of this proceeding or are not reasonably calculated to lead to the discovery of admissible evidence.

6. No response contained herein waives nor shall be deemed to waive any claim of privilege as to any information or document not produced.

7. GFW objects to Applicants' instructions, interrogatories, and document requests to the extent that they seek information which would require GFW to undertake a special study. GFW will produce responsive information that it possesses, but will not conduct any further studies.

8. GFW objects to Applicants' discovery requests to the extent those requests seek information and/or documents in GFW's possession that are publicly available and/or are already in MNA's possession.

9. GFW objects to each and every one of MNA's Requests for Production to the extent that it is (a) overly broad; (b) vague and/or ambiguous; (c) fails to describe with reasonable particularity the information sought; or (d) would impose an undue burden or expense on GFW that outweighs any relevance or probative value the information sought may have in this proceeding.

10. GFW objects to the definition of "Document" to the extent that it seeks to impose obligations broader than those imposed by 49 C.F.R. Part 1114. GFW also objects to the definition of "Document" to the extent that it seeks information or data that is privileged, protected by the attorney-client work product doctrine, or otherwise protected, exempted, or excluded from discovery or disclosure by an applicable privilege, protection, rule, or doctrine. In its responses, GFW will interpret the term "Document" as excluding any data or other information that is protected from discovery or disclosure by such privilege, protection, doctrine, or rule.

11. GFW objects to the use of the terms “related to,” “relates to,” “relating to,” and/or “relate to” wherever any such term or terms appear in MNA’s Interrogatories and Production Requests as overly broad and unduly burdensome.

Responses to Interrogatories

1. *Please provide a complete description of the Joplin Facility, including, but not limited to, the railroad tracks used by GFWI and all transportation related activities.*

Response: GFW objects to the term “Joplin Facility,” as defined at page 3 of the Discovery Requests, on the ground that it is vague and imprecise. GFW objects to the term “all transportation related activities” on the ground that it is imprecise and unintelligible. Subject to, and without waiving its objections, a depiction of its materials yard, including the railroad tracks in that yard used by GFW is attached as Appendix 1 to RSR’s Responses and Objections To First Discovery Requests. Appendix 1 shows that there are a total of 3,817.2 feet of private trackage in GFW’s materials yard, or roughly 3/4 of a mile of track. That private track is adequate for loading and storage of approximately 63 railcars of 60-foot length.

2. *Identify the tariffs issued by MNA that require GFWI to pay demurrage and storage charges to MNA.*

Response: GFW objects to the form of this interrogatory on the ground that MNA’s tariff provides a basis for assessment of demurrage and storage charges in certain circumstances, but requires GFW to pay demurrage and storage charges to MNA only if those circumstances are proven to have existed. Subject to, and without waiving that objection, GFW has acknowledged, in its answer to MNA’s complaint, that the tariffs named in that complaint provide a basis for assessment of demurrage and storage charges in certain circumstances.

3. *Identify the rail cars described in the Complaint and all other rail cars ordered from MNA by GFWI within the Relevant Period that GFWI claims were constructively placed and the notice of placement given to GFWI to MNA.*

Response: GFW objects to the request for information regarding “all other rail cars ordered from MNA” (i.e., cars not involved in the complaint) on the ground that such request seeks information that is neither relevant to, nor reasonably calculated to lead to the discovery of admissible evidence regarding, any issue in this proceeding. Subject to, and without waiving that objection, GFW states that it does not believe that MNA provided timely constructive placement notices as to any railcars involved in the Complaint for which demurrage charges allegedly accrued while the railcars were under constructive placement. GFW is seeking confirmation of that belief in discovery submitted to MNA.

4. *Identify the private rail cars described in the Complaint and all other rail cars ordered from MNA by GFWI within the Relevant Period that GFWI claims were held on private tracks.*

Response: GFW objects to the request for information regarding “all other rail cars ordered from MNA” (i.e., cars not involved in the complaint) on the ground that such request seeks information that is neither relevant to, nor reasonably calculated to lead to the discovery of admissible evidence regarding, any issue in this proceeding. Subject to and without waiving that objection, GFW states that all private cars listed in MNA’s invoices to GFW (initials ending in “X”) for which demurrage charges were assessed between the placement dates and the release dates shown on such invoices were private cars held on private tracks.

5. *Identify the rail cars described in the Complaint and all other rail cars ordered from MNA by GFWI within the Relevant Period that were held in MNA’s yard in anticipation of car orders not yet made by GFWI.*

Response: GFW objects to the request for information regarding “all other rail cars ordered from MNA” (i.e., cars not involved in the complaint) on the ground that such request seeks information that is neither relevant to, nor reasonably calculated to lead to the discovery of admissible evidence regarding, any issue in this proceeding. Subject to, and without waiving that objection, GFW states that it is informed and believes that demurrage charges on numerous railcars accrued while the railcars were being held in MNA’s yard in anticipation of car orders not yet made by GFW. GFW is seeking confirmation of that belief, and the exact extent thereof, in discovery submitted to MNA.

6. *Identify the rail cars described in the Complaint and all other rail cars ordered from MNA by GFWI within the Relevant Period that GFWI claims it was able to receive, but which were not delivered because of MNA’s disability.*

Response: GFW objects to the request for information regarding “all other rail cars ordered from MNA” (i.e., cars not involved in the complaint) on the ground that such request seeks information that is neither relevant to, nor reasonably calculated to lead to the discovery of admissible evidence regarding, any issue in this proceeding. Subject to, and without waiving that objection, GFW states that it is informed and believes that demurrage charges on numerous railcars accrued during periods in which GFW had ordered such cars, but such cars were not delivered because of MNA’s disability. GFW is seeking confirmation of that belief, and the extent thereof, in discovery submitted to MNA.

7. *Identify the rail cars described in the Complaint and all other rail cars ordered from MNA by GFWI within the Relevant Period that GFWI claims MNA does not have adequate proof of actual or constructive placement or release.*

Response: GFW objects to the request for information regarding “all other rail cars ordered from MNA” (i.e., cars not involved in the complaint) on the ground that such request

seeks information that is neither relevant to, nor reasonably calculated to lead to the discovery of admissible evidence regarding, any issue in this proceeding. Subject to, and without waiving that objection, GFW states that it is informed and believes that MNA does not have adequate proof of actual or constructive placement or release of many or all railcars involved in the Complaint. GFW is seeking confirmation of that belief, and the extent thereof, in discovery submitted to MNA.

8. *Please identify every rail car described in the Complaint and all other rail cars ordered from MNA by GFWI delivered to the Joplin Facility during the Relevant Period as to which GFWI contends the demurrage charges assessed by MNA are unreasonable. For purposes of this interrogatory, "identify" means to provide for each rail car its (1) initials, (2) number, (3) arrival date and time, (4) constructive placement date and time (if applicable), (5) actual placement date and time, (6) release date and time, and (7) pull date and time.*

Response: GFW object to the request for information regarding "all other rail cars ordered from MNA" (i.e., cars not involved in the complaint) on the ground that such request seeks information that is neither relevant to, nor reasonably calculated to lead to the discovery of admissible evidence regarding, any issue in this proceeding. Subject to, and without waiving that objection, GFW states that its contention as to the demurrage charges on specific cars whose collection would be an unreasonable practice is dependent on information that will be elicited in a pending discovery request directed to MNA. See, also, response to Interrogatory No. 3.

9. *For each of the individual rail cars identified in response to Interrogatory No. 8, describe with specificity, the basis or bases for GFWI's claim that the demurrage charges assessed with respect to such rail car are unreasonable, including, but not limited to, the specific actions taken or not taken by MNA with respect to such rail car that render the assessed demurrage unreasonable.*

Response: See Response to Interrogatory No. 8.

10. *Identify, with respect to the applicable MNA tariff(s), the specific demurrage rate or rates that GFWI contends are unreasonable.*

Response: See Response to Interrogatory No. 8.

11. *For each rate identified in response to Interrogatory No. 10, set forth with specificity all the facts GFWI contends demonstrate the unreasonableness of such rate or the unreasonableness of the application of such rate.*

Response: See Response to Interrogatory No. 8.

12. *Identify, with reference to the applicable MNA tariff(s), the specific method or methods by which MNA calculates its demurrage charges that GFWI contends are unreasonable and describe with specificity the basis or bases for such contention.*

Response: See Response to Interrogatory No. 8.

13. *Identify, with reference to the applicable MNA tariff(s), for each rail car described in the Complaint and all other rail cars ordered from MNA by GFWI within the Relevant Period the written claim made by GFWI to MNA seeking relief from any demurrage charge including the date the claim was made in accordance with the requirements of the tariff and describe how the claim was transmitted to MNA.*

Response: There were no such written claims. Further responding, GFW states that it made numerous verbal claims that assessment of demurrage charges against it are excessive and unreasonable.

Response to Document Requests

1. *Produce all documents that discuss, refer to, or relate to, the demurrage charges assessed by MNA with respect to the Joplin Facility that accrued during the Relevant Period.*

Response: There are no such documents with the exception of correspondence submitted by counsel for GFW that are protected from discovery under the attorney-client privilege.

2. *Produce each written claim presented by GFWI to MNA seeking relief from any demurrage charge with respect to any rail car delivered to the Joplin Facility during the relevant period, along with the demurrage bill to which each such written claim pertains.*

Response: See Response to Interrogatory No. 13.

3. *Produce all requests from GFWI to MNA for the delivery of rail cars during the Relevant Period.*

Response: All such requests were verbal.

4. *Please produce all documents identified in GFWI's Answers to MNA's Interrogatories.*

Response: There are no such documents with the exception of the depiction of GFW's materials yard that is attached as Appendix 1.

Response to Request for Admissions

1. *Admit or deny that GFWI ordered rail cars from MNA during the Relevant Period.*

Response: Admitted.

2. *Admit or deny that there are times when GFWI does not have sufficient capacity at the Joplin Facility to receive the rail cars that it orders.*

Response: GFW objects to this request on the ground that the term "times" is vague and imprecise. Subject to, and without waiving that objection, the request for admission is denied.

3. *Admit or deny for each of the rail cars described in the Complaint and all other rail cars ordered from MNA by GFWI within the Relevant Period that GFWI failed to make claims to MNA in accordance with the appropriate tariff seeking relief from any demurrage charge within the relevant period.*

Response: GFW object to the request for information regarding "all other rail cars ordered from MNA" (i.e., cars not involved in the complaint) on the ground that such request seeks information that is neither relevant to, nor reasonably calculated to lead to the discovery of admissible evidence regarding, any issue in this proceeding. Subject to, and without waiving that

objection, the request is admitted with the qualification set forth in the response to Interrogatory

No. 13.

Respectfully submitted,

Thomas F. McFarland

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*Attorney for G.F. Weideman
International, Inc.*

DATED: April 30, 2008

APPENDIX 1

(*see* Appendix 1 attached to RSR's
Responses and Objections to
First Discovery Requests)

CERTIFICATE OF SERVICE

I hereby certify that I served the foregoing document, Responses and Objections of G.F. Weideman International, Inc. to First Discovery Requests, by e-mail and UPS overnight mail on Louis E. Gitomer, Esq., Law Offices of Louis E. Gitomer, 600 Baltimore Avenue, Suite 301, Towson, MD 21204, Lou_Gitomer@verizon.net.

Thomas F. McFarland

Thomas F. McFarland

BEFORE THE
SURFACE TRANSPORTATION BOARD

Docket No. 42102

RAILROAD SALVAGE & RESTORATION, INC.
—PETITION FOR DECLARATORY ORDER—
REASONABLENESS OF DEMURRAGE CHARGES

Docket No. 42103

G.F. WIEDEMAN INTERNATIONAL, INC.
—PETITION FOR DECLARATORY ORDER—
REASONABLENESS OF DEMURRAGE CHARGES

VERIFIED STATEMENT OF JAMES TILLEY

I am James Tilley. I am the Director-Revenue Protection & Collections of RailAmerica, Inc. (“RailAmerica”), the parent company of the Missouri & Northern Arkansas Railroad Company, Inc. (“M&NA”). I have been supporting RailAmerica’s and M&NA’s collection efforts since June of 2007. For most of the past 31 years I have been associated with the railroad industry-either directly with a carrier or a supplier with interdisciplinary responsibilities involving finance, marketing and operations. Prior to joining RailAmerica I held the position of Vice President-Car Management at Genesee & Wyoming Inc. with responsibility for the on-going oversight of a 28 thousand car freight car fleet. From 2001 until 2005 I held the position of Vice President-Sales & Marketing with Bombardier Capital Rail, a leading lessor of rail cars. From 1997 until 2001, I held the position of Assistant Treasurer and Director-Finance Administration with CSX Transportation in which position I was responsible for the oversight of the railroad’s leased freight car fleet of one hundred thousand rail cars.

The railroad industry is capital intensive. Directly or indirectly a significant part of this investment is associated with rail cars. A common thread in my career has been the intense focus upon improving car utilization inasmuch as rail cars earn a return only when moving and hauling freight. Demurrage charges are a necessary and long established tool by which railroads incent customers to turn rail cars expeditiously.

The purpose of this statement is to describe the M&NA demurrage tariffs, to respond to the verified statement of Ms. Andrea Grissom (“Ms. Grissom”), to describe the financial condition of M&NA, and to discuss the operational issue raised by Mr. Jackson. In discussing the tariffs, I will explain the application of the tariffs, the billing process, the process available to for shippers to challenge charges under the tariffs, and the failure of Railroad Salvage & Restoration, Inc. (“R&SR”) and G. F. Wiedeman International, Inc. (GFW”) to comply with the tariff. In response to Ms. Grissom, I will rebut the issues that she raises in questioning M&NA’s demurrage charges.

THE TARIFF

Between January 1, 2005 and January 31, 2007, the period in issue in these proceedings, three tariffs governed M&NA’s demurrage charges. From January 1, 2000 through July 31, 2005, RailTex Demurrage Tariff RATX 6001 (“RATX 6001”), from August 1, 2005 through July 25, 2006, Missouri & Northern Arkansas Railroad Freight Tariff MNA 6001 (“MNA 6001”), and from July 25, 2006 through January 31, 2007, Missouri & Northern Arkansas Railroad Freight Tariff MNA 6001 (“MNA 6001-B”). The tariffs are attached as Exhibit A and are jointly referred to as the “Demurrage Tariffs.”

Under these tariffs, M&NA allows shippers 24 hours free time when loading cars and 48 hours free time for unloading cars. RATX 6001 Item 470A, MNA 6001 Item 500A, and MNA

6001-B Item 500A. Once the free time has expired, M&NA charged demurrage of \$50.00 per car per day under RATX 6001 and \$65.00 per car per day under MNA 6001 and MNA 6001-B. Settlement of demurrage charges is to be made by a shipper on a monthly basis. RATX 6001 Item 470C, MNA 6001 Item 500C, and MNA 6001-B Item 500C.

Disputes of demurrage charges are required to be handled under the tariffs as follows:

1. RATX 6001. “Demurrage charges assessed should be paid in full and disputes for adjustments together with supporting documentation must be presented in writing to “Railroad” within thirty (30) days after the date on which the bill for demurrage is rendered.” Item 470 I.

2. MNA 6001. “Demurrage charges assessed must be paid in full and disputes for adjustments together with supporting documentation must be presented in writing to MNA within fifteen (15) days after the date on which the bill for demurrage is rendered. Disputes must be car specific and provided in writing.” Item 90.

3. MNA 6001-B. “Demurrage charges assessed must be paid in full and disputes for adjustments together with supporting documentation must be presented in writing to MNA within fifteen (15) days after the date on which the bill for demurrage is rendered. Disputes must be car specific and provided in writing.” Item 90.

If the demurrage charge is not disputed pursuant to the terms of the tariff, M&NA begins efforts to collect the demurrage charge and assesses an additional charge of “one (1) percent per month of the unpaid charge” pursuant to RATX 6001 Item 470J1, and “the greater of an amount not to exceed two (2) percent per month of the unpaid charge or the highest rate allowed by law” pursuant to MNA 6001 Item 90 and MNA 6001-B Item 90.

M&NA bills demurrage for two purposes. First demurrage is to compensate for the car costs that it incurs. Whether the car is owned by M&NA or another railroad, including cars

owned by TTX, M&NA incurs costs of having the car on its lines. Demurrage is to help offset these costs. Secondly, demurrage is for the purpose of enhancing the efficiency of M&NA's operations. Cars that a shipper holds beyond the free time for loading and unloading reduce the utility of the entire railroad fleet. Additional cars are required to serve shippers at additional cost. Efficient loading and unloading increase the efficiency of the railroad fleet and reduce the capital costs of maintaining the fleet. Therefore, demurrage to encourage efficient use benefits railroads and their customers.

M&NA does not discriminate in favor of one shipper over the other under its tariffs. Nor does M&NA act to prejudice or favor any shipper. M&NA treats all of its shippers the same under the Demurrage Tariffs. M&NA also expects its shippers to enforce their rights under the tariff, and views the failure of a shipper to make use of its remedies under the Demurrage Tariffs of an admission of the correctness of M&NA's bills and as a waiver of those remedies, including challenges applicability of the Demurrage Tariff to a specific car.

With regard to demurrage, the M&NA billing process begins with the delivery of an empty or loaded car. If due to a condition attributable to a consignee or consignor, the car cannot be delivered to the facility, the car is "constructively placed." A car is constructively placed when M&NA holds the car on its track. The consignor or consignee is notified of the constructive placement in writing. Once the free time for loading or unloading a car expires, demurrage begins to accrue until the consignor or consignee notifies M&NA that the car is either loaded or unloaded and that the car is available to be picked up. Once M&NA receives notice that the car is ready to be picked up, it stops billing for demurrage.

Under M&NA's demurrage system, its customers know when free time ends and demurrage will begin. M&NA's shippers are provided all of the information and notices

necessary to determine the appropriate dates. Because the M&NA Demurrage Tariffs require notification of constructive placement in writing, the date on the written notice of constructive placement is the date when a car was constructively placed, regardless of the information contained in the other fields of the notice or future billing records.

RS&R refused to pay demurrage, which led M&NA to file suit to collect the demurrage that was due. As I understand, because RS&R was having difficulty obtaining credit for payments from certain Class I railroads, the affiliated GFW was created to conduct the same business as RS&R while still being able to obtain credit for transportation charges from the Class I railroads. M&NA ran into the same problem with GFW refusing to pay its demurrage charges and filed suit against GFW. Not only did RS&R and GFW not pay the demurrage fees, but they did not take advantage of the process in the Demurrage Tariffs to dispute the demurrage charges. In accordance with the specific provisions of the Demurrage Tariffs that I have discussed above, RS&R and GFW have waived any rights to challenge the demurrage and the additional charges due to M&NA under the Demurrage Tariffs.

RESPONSE TO MS. GRISSOM

Ms. Grissom contends that RS&R and GFW do not owe M&NA all of the demurrage claimed by M&NA for several reasons, all of which are incorrect. Moreover, RS&R and GFW have failed to abide by the Demurrage Tariffs in disputing the demurrage charges and for that reason alone should be required to make the payments to M&NA required by the Demurrage Tariffs for demurrage and the additional payments for not making the demurrage payments in a timely manner.

In her verified statement, Ms. Grissom relies on the responses to discovery provided by M&NA in this litigation, instead of the original documents provided to RS&R and GFW at the

time of billing. The failure of RS&R and GFW to use the organic documents provided to them in the billing of demurrage is additional evidence of the disregard of RS&R and GFW for compliance with the Demurrage Tariffs.

Ms. Grissom erroneously claims to document erroneous demurrage billings that require a \$135,945 reduction in M&NA's claim. Following are specific responses to the issues raised by Ms. Grissom.

1. Railroad owned material.

Ms. Grissom claims that M&NA overcharged demurrage by \$65,715 on 49 cars that she claims contained railroad owned material. The interrogatory asked "what is the explanation for MNA's willingness to waive collection of such charges, as communicated to a representative of RSR during a meeting held on or about June 6, 2006?" Ms. Grissom relies on MNA's response to the RS&R interrogatory: "In June 2006, billing adjustments were made to the specific cars in question to reflect the fact that the cars in question moved railroad owned material and the Class I (railroad) provided economic relief to M&NA in order to avoid the imposition of demurrage charges." The response is intended to indicate that adjustments were offered at the meeting because the cars contained railroad material and on cars containing railroad material. However, after the meeting, M&NA discovered that the cars did not contain railroad material. Instead, 47 of the cars were outbound revenue moves, not M&NA railroad material. The other two cars were inbound moves where M&NA incurred car hire and therefore billed RS&R for demurrage.

In June 2006 MNA did process billing adjustments to the cars noted in Table 1 and the total demurrage relief was provided to RS&R. But the cars in Table 1 contained railroad material and are not the cars that Ms. Grissom claims were improperly billed for demurrage. In discovery, RS&R and GFW asked why the 49 cars in Table 2 were not provided demurrage

relief despite the statements made at the meeting. Demurrage was charged because the outbound cars did not contain M&NA railroad materials and the inbound cars incurred car hire. The interrogatory response specifically answered the question of why demurrage relief was offered verbally at a meeting. Obviously, M&NA could not provide demurrage relief consistent with the Demurrage Tariffs when the cars identified did not meet a demurrage exception. Therefore, M&NA billed RS&R for the 49 cars.

TABLE 1 - BILLING ADJUSTMENTS IN JUNE 2006 RAILROAD MATERIALS

| Inv# | Billing Year Month | Equipment Initial Number | Commodity | DEMURRAGE RELIEF |
|-------|-----------------------|-----------------------------|-----------------|---------------------|
| 2756 | 2005 3 | ATSF 68044 | SCRAP I OR S | \$300 |
| | | ATSF 74479 | SCRAP I OR S | \$300 |
| | | CS 21065 | SCRAP I OR S | \$300 |
| | | CW 6585 | SCRAP I OR S | \$100 |
| | | BN 565846 | SCRAP I OR S | \$500 |
| 2773 | 2005 4 | ATSF 76329 | | \$50 |
| 2811 | 2005 6 | HS 10326 | SCRAP I OR S | \$250 |
| 2842 | 2005 8 | CHTT 360226 | RODS IORS | \$2,600 |
| | | CHTT 360244 | RODS IORS | \$2,600 |
| | | TKEN 9992 | SCRAP I OR S | \$2,600 |
| 2854 | 2005 9 | CHTT 360293 | SCRAP I OR S | \$455 |
| 2882 | 2005 11 | BN 560443 | SCRAP I OR S | \$1,170 |
| 2913 | 2006 1 | CNW 128104 | MACHY&MACH | \$325 |
| 2947 | 2006 3 | ATSF 164119 | SCRAP I OR S | \$65 |
| | | ATSF 68044 | RY TRACK MATL | \$1,105 |
| | | CHTT 360336 | SCRAP I OR S | \$1,300 |
| | | GONX 310662 | SCRAP RWY RAILS | \$11,570 |
| | | SP 329327 | SCRAP I OR S | \$51,090 |
| | | UP 98725 | SCRAP RWY RAILS | \$11,375 |
| | | 2965 | 2006 4 | BNSF 516325 |
| | | BNSF 516678 | SCRAP I OR S | \$195 |
| | | CHTT 287081 | SCRAP I OR S | \$325 |
| | | CHTT 360219 | SCRAP I OR S | \$260 |
| | | MP 642761 | SCRAP I OR S | \$325 |
| | | MP 951162 | SCRAP I OR S | \$325 |
| | | SP 323149 | SCRAP I OR S | \$260 |
| TOTAL | | | | \$89,810 |

TABLE 2-CARLOADS IMPROPERLY EXCLUDED BY MS. GRISSOM

| Equipment Initial Number | Charge Date | Destination State Station | Commodity Railroad | Consignee |
|-----------------------------|-------------|------------------------------|-----------------------|--------------------|
| MP 951106 | 3/18/2005 | MO JOPLIN | UP RAILS | JACKSON TRACK |
| DGNO 481 | 3/20/2005 | IN B HARBOR | IHB SCRAP I OR S | ISG STEEL |
| UP 229926 | 3/24/2005 | MO JOPLIN | MNA RAILS | JACKSON TRACK |
| TR 526647 | 4/2/2005 | IL RIVERDALE | UP SCRAP I OR S | ISG STEEL |
| TR 526641 | 4/27/2005 | IN EAST CHICAGO | EJE SCRAP I OR S | ISG INDIANA HARBOR |
| SCRF 389 | 8/8/2005 | TX VINTON | BNSF SCRAP I OR S | W. SILVER, INC |
| SCRF 402 | 8/8/2005 | TX VINTON | BNSF SCRAP I OR S | W SILVER INC. |
| GNTX 297103 | 8/13/2005 | TX VINTON | BNSF SCRAP I OR S | W SILVER INC. |
| MNA 445 | 8/13/2005 | TX VINTON | BNSF SCRAP I OR S | W. SILVER, INC. |
| CHTT 360369 | 8/18/2005 | TX VINTON | BNSF SCRAP I OR S | W SILVER INC. |
| NOKL 360091 | 8/18/2005 | TX VINTON | BNSF SCRAP I OR S | W SILVER INC. |
| SP 340526 | 8/18/2005 | TX VINTON | BNSF SCRAP I OR S | W SILVER INC. |
| TR 526641 | 8/28/2005 | TX LAREDO | UP SCRAP I OR S | US FORWARDING |
| MP 650514 | 10/9/2005 | TX LAREDO | UP SCRAP I OR S | DELSAN FORWARDNG |
| CNW 137362 | 10/15/2005 | TX LAREDO | UP SCRAP I OR S | DELSAN FORWARDNG |
| NOKL 360091 | 10/15/2005 | TX LAREDO | UP SCRAP I OR S | DELSAN FORWARDNG |
| CHTT 360249 | 11/14/2005 | TX LAREDO | UP SCRAP I OR S | US FORWARDING |
| MP 650878 | 11/14/2005 | TX LAREDO | UP SCRAP I OR S | US FORWARDING |
| MP 650808 | 11/23/2005 | TX LAREDO | UP SCRAP I OR S | DELSAN FORWARDNG |
| TFM 55234 | 12/3/2005 | TX LAREDO | UP SCRAP I OR S | US FORWARDING |
| CHTT 360239 | 12/6/2005 | TX LAREDO | UP SCRAP I OR S | DELSAN FORWARDNG |
| CHTT 360222 | 12/12/2005 | AR NEWPORT | UP SCRAP I OR S | AR STEEL & ASSOC'S |
| MP 650795 | 12/17/2005 | TX VINTON | BNSF SCRAP I OR S | W SILVER INC. |
| GNTX 295201 | 2/14/2006 | TX BROWNSVILLE | UP SCRAP I OR S | SUACERO,SADEC.V |
| GNTX 297129 | 2/14/2006 | AR NEWPORT | UP SCRAP I OR S | AR STEEL & ASSOC'S |
| GNTX 297180 | 2/14/2006 | TX BROWNSVILLE | UP SCRAP I OR S | SUACERO,SADEC.V |
| LW 66467 | 2/18/2006 | TX BROWNSVILLE | UP SCRAP I OR S | SUACERO,SADEC.V |
| MP 641229 | 2/18/2006 | AR NEWPORT | UP SCRAP I OR S | SUACERO,SADEC.V |
| GNTX 295092 | 2/23/2006 | AR NEWPORT | UP SCRAP I OR S | AR STEEL & ASSOC'S |
| CHTT 287001 | 2/24/2006 | AR NEWPORT | UP SCRAP I OR S | AR STEEL & ASSOC'S |
| MP 641263 | 2/28/2006 | TX BROWNSVILLE | UP SCRAP I OR S | SUACERO,SADEC.V |
| CHTT 360243 | 3/2/2006 | AR NEWPORT | UP SCRAP I OR S | AR STEEL & ASSOC'S |
| CNW 340213 | 3/2/2006 | TX BROWNSVILLE | UP SCRAP I OR S | SUACERO,SADEC.V |
| CNW 741029 | 3/8/2006 | TX BROWNSVILLE | UP SCRAP I OR S | SUACERO,SADEC.V |
| SP 338027 | 3/8/2006 | TX BROWNSVILLE | UP SCRAP I OR S | SUACERO,SADEC.V |
| MP 642687 | 3/8/2006 | TX BROWNSVILLE | UP SCRAP I OR S | SUACERO,SADEC.V |
| HS 10493 | 3/10/2006 | AR FT SMITH | UP SCRAP I OR S | MACSTEEL AR |
| DRGW 340299 | 3/17/2006 | TX BROWNSVILLE | UP SCRAP I OR S | SUACERO,SADEC.V |
| UP 152034 | 3/21/2006 | TX BROWNSVILLE | UP SCRAP I OR S | SUACERO,SADEC.V |
| GNTX 295160 | 3/31/2006 | AR NEWPORT | UP SCRAP I OR S | AR STEEL & ASSOC'S |
| GNTX 295278 | 4/7/2006 | AR NEWPORT | UP SCRAP I OR S | AR STEEL & ASSOC'S |
| GNTX 297195 | 4/13/2006 | AR NEWPORT | UP SCRAP I OR S | AR STEEL & ASSOC'S |
| CNW 137012 | 4/24/2006 | IL RIVERDALE | UP SCRAP I OR S | SLST MITTAL STEEL, |
| HS 10493 | 4/24/2006 | AR NEWPORT | UP SCRAP I OR S | AR STEEL & ASSOC'S |
| SP 365086 | 4/25/2006 | TX VINTON | BNSF SCRAP I OR S | W. SILVER, INC. |
| CHTT 360204 | 4/26/2006 | TX BROWNSVILLE | UP SCRAP I OR S | SUACERO,SADEC.V |
| CHTT 360229 | 4/28/2006 | AR NEWPORT | UP SCRAP I OR S | AR STEEL & ASSOC'S |
| SP 323096 | 5/4/2006 | TX BROWNSVILLE | UP SCRAP I OR S | SUACERO,SADEC.V |

As can be seen from Table 2, the cars claimed to be company material were not M&NA company material and were consigned for delivery in revenue service to third parties. It was appropriate to charge RS&R demurrage for these cars.

2. TTX cars are not private cars.

Ms. Grissom claims that it is improper to charge demurrage for private cars. Grissom VS at 3. However, the cars that she has identified as private cars are in fact owned by TTX. TTX is owned by the railroads and charges car hire for its cars. She states that “demurrage charges are not properly assessed on private cars on private tracks.”

The cars claimed by Ms. Grissom to be private cars bear the car marking GNTX and GONX. These cars are owned by TTX. As indicated in Exhibit B, this equipment is leased only to the owning railroads and is railroad controlled. Full car hire is payable to TTX on this equipment. In fact, the equipment in question is some of the most costly equipment provided to the M&NA.

The GNTX and GONX cars are not private cars and therefore are not subject to the exception for private cars on private tracks as provided for in the Demurrage Tariffs. It is proper for M&NA to bill RS&R and GFW demurrage for the TTX owned cars under the Demurrage Tariffs.

3. Constructive placement.

Ms. Grissom eliminates demurrage charges for cars where she could no find records to verify the dates that M&NA constructively placed 28 cars. In Exhibit C are 24 fax notifications of constructive placement sent to RS&R. Hence, RS&R and GFW received notification of constructive placement.

In connection with verification of dates for cars actually placed on the RS&R and GFW track, the Demurrage Tariffs provide that “delivery of car upon tracks of consignee will constitute notice.”

4. Track room.

Ms. Grissom asserts at pages 3-4, that demurrage should be eliminated for cars that were constructively placed on days when there was capacity at the scrap yard for additional cars over and above the ones already placed. She states the scrap yard has a capacity for 15 cars.

M&NA’s typical operation involves the customer placing a car order with M&NA. M&NA then fills these orders. A car would be constructively placed “because of any condition attributable to the consignor or consignee” and “such car will be held on MNA tracks and notice will be given to the consignor or consignee that the car is held awaiting disposition instructions.” To the extent the customer disagreed with the constructive placement, it could follow the dispute resolution procedures in the Demurrage Tariff by paying the demurrage and submitting “disputes for adjustment together with supporting documentation must be presented in writing to MNA within (15) days after the date on which the bill for demurrage is rendered.”

M&NA has never received a dispute pertaining to the constructive placement of the cars in question. As I describe below, there is no foundation for the analysis presented by Ms. Grissom. Just because a track can theoretically hold up to 15 cars at any one time does not mean that there is always room to deliver a car because there are less than 15 on the track.

5. Adjustments.

There are three cars identified by Ms. Grissom that appear to contain M&NA company material. Such cars are excepted from demurrage. Therefore, M&NA agrees that demurrage should be reduced by \$4,900 for car numbers.

Ms. Grissom also claims that with respect to the January 2007 demurrage invoice that GFW paid M&NA \$585 of the \$1,625 demurrage charge. She discounted the remainder of the demurrage charge because of constructive placement. As explained in Section 3 above, M&NA provided proper notice for constructive placement and GFW is liable for the demurrage.

Finally, MS. Grissom claims that three cars were placed in the RSR Yard. Grissom at 4. She also claims that the tracks are not controlled by RS&R and GFW. She then concludes that demurrage is not owed. Ms. Grissom is wrong. The cars were placed on tracks because RS&R and GFW could not accept the cars on their track. Therefore, demurrage was properly assessed.

6. Conclusion.

RS&R and GFW may be entitled to a reduction in demurrage charges of \$5,485. However, no other reduction has been justified by Ms. Grissom. As I have described, M&NA has followed the requirements of the Demurrage Tariffs and is entitled to be paid the demurrage owed by RS&R and GFW. In addition, M&NA is entitled to the additional payment due for late payments.

RS&R and GFW are not entitled to any demurrage relief because they did not comply with the dispute mechanism in the Demurrage Tariffs. RS&R and GFW have admitted as much in discovery.

In total, after the adjustment noted above of \$5,485, RS&R owes \$182,835.00 in demurrage to M&NA and GFW owes \$11,895.00 in additional fees to M&NA for late payment.

THE FINANCIAL CONDITION OF M&NA

M&NA is a Class III railroad. For many years, M&NA operated at a profit. However, because of increased costs, M&NA began losing money in 2006 and continues to operate at a loss. One of the cost increase incurred by M&NA has been for car utilization, especially since it

has not been offset by the payment of demurrage. RS&R and GFW are the most egregious demurrage debtors and have failed to make use of the dispute provisions under the Demurrage Tariffs.

As a result of M&NA's need to abide by the requirements of the Demurrage Tariffs, mounting losses, and the statute of limitations, M&NA commenced the law suits against RS&R and GFW to collect the demurrage owed as well as the additional charges due under the Demurrage Tariffs.

TRACK AVAILABILITY

Mr. Gaylon W. Jackson makes the claim that RS&R and GFW have substantial track capacity for the delivery of cars and that M&NA did not need to constructively place cars. Mr. Jackson is wrong in his simplistic calculation. Mr. Jackson states that there is room for 15 cars on the RS&R and GFW tracks. Based on my experience in the railroad industry, the mere existence of feet of track does not mean that track is available for the placement of cars.

Mr. Jackson has not explained whether the track available for placement was at the point of switch so that the cars already on RS&R and GFW track would be blocked and grid locked. Nor did he explain whether the cars were adjacent to each other or spread out over the line at any one time. Mr. Jackson also fails to note that M&NA would only move the cars on the RS&R and GFW track if it was asked to do so, and would charge a switching fee for each car moved. RS&R and GFW did not ask M&NA to provide such switches, and certainly would not have paid for them even though required to by M&NA's switching tariffs.

In order to prove that there was room for the delivery of cars, Ms. Grissom needed to do more than count the cars on the RS&R and GFW track. She needed to determine the amount of space and where the cars could be placed. She also needed to determine whether the placement

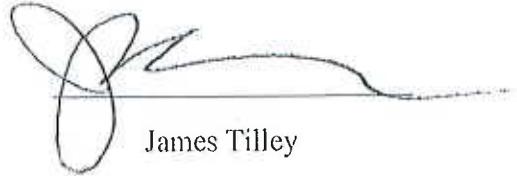
of additional cars would create grid lock on the RS&R and GFW track. Finally, Ms. Grissom does not provide any background data that allows either M&NA or the Board to determine how she determined that there were 15 cars or fewer on the track.

MR. Jackson's testimony merely proves that in ideal conditions there might be room for 15 cars on the RS&R and GFW track, but at no time does it indicate the ability of the tracks to accept additional cars.

In addition, RS&R and GFW failed to raise this dispute pursuant to the tariff terms.

VERIFICATION

I, James Tilley, declare under penalty of perjury that to the best of my knowledge the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement. Executed this 16th day of October 2008.



James Tilley

EXHIBIT A-DEMURRAGE TARIFFS

**RAILTEX
DEMURRAGE TARIFF RATX 6001**

**DEMURRAGE TARIFF
CONTAINING DEMURRAGE RULES AND CHARGES
AT
POINTS ON
ALL RAILTEX SUBSIDIARY RAILROADS
(AS DEFINED IN THE LIST OF PARTICIPATING CARRIERS)**

NOTICE: The provisions published herein will, if effective, not result in an effect on the quality of the human environment.

ISSUED: October 1, 1999

EFFECTIVE: January 1, 2000

**ISSUED BY
DAN WITTE
DIRECTOR, MARKETING & SALES
RAILTEX
4040 BROADWAY, SUITE 200
SAN ANTONIO, TX 78209**

PARTICIPATING CARRIERS

Carolina Piedmont Railroad (CPDR)
Central Oregon & Pacific Railroad (CORP)
Central Railroad of Indiana (CIND)
Central Railroad of Indianapolis (CERA)
Chesapeake & Albemarle Railroad (CA)
Connecticut Southern Railroad (CSO)
Dallas, Garland & Northeastern Railroad (DGNO)
Georgia Southwestern Railroad (GSWR)
Grand Rapids Eastern Railroad (GRE)
Indiana & Ohio Central Railroad (IOCR)
Indiana & Ohio Railway (IORY)
Indiana Southern Railroad (ISRR)
Michigan Shore Railroad (MS)
Mid-Michigan Railroad (MMRR)
Missouri & Northern Arkansas Railroad (MNA)
New England Central Railroad (NECR)
North Carolina & Virginia Railroad (NCVA)
Pittsburgh Industrial Railroad (PIR)
San Diego & Imperial Valley Railroad (SDIY)
South Carolina Central Railroad (SCRF)
Texas New Mexico Railroad (TNMR)
Texas Northeastern Railroad (TNER)
Virginia Southern Railroad (VSRR)
Winamac Southern Railroad (WSRY)

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ITEM 350**CANCELLATION OF CURRENT PROVISIONS**

This tariff publication will cancel the provisions of the following tariffs:

- Section 4 of CPDR 8001-A
- Item 300 of CORP 8000-B
- CIND Tariff 6000
- CERA Tariff 6000
- Section 4 of CA 8000-E
- CSO Tariff 6000
- DGNO Tariff 6000-A
- Section 2 of GSWR 8001-C
- Item 400 through 480, GR Tariff 8010
- IOCR Tariff 6000
- IORY Tariff 6000
- Item 400 through 450, ISRR Tariff 8000-E
- Item 400 through 480, MS Tariff 8010
- Item 400 through 480, MMRR Tariff 8010
- Item 200 through 900, MNA 6004
- NECR Tariff 6000-A
- Section 4 of NCVA Tariff 8003
- PIR Adoption of PJH 6004
- Section 1 of SDIY Tariff 8001-B
- Section 4 of SCRF Tariff 8003
- TNMR Tariff 6000
- Section 4 of MMRR Tariff 8004
- Section 4 of NCVA Tariff 8002
- WSRY Tariff 6000

ITEM 400
GENERAL APPLICATION

Reference to "Railroad" shall mean all railroads listed as a participating carrier.

- A. Applicable at all stations on "Railroad."
- B. The disposition of a car at its point of detention determines the purpose for which the car is held and the rules applicable thereto.
- C. All Railroad and Privately owned cars held for or by consignors or consignees are subject to demurrage rule and charges contained in this section, EXCEPT the following:
 - 1. Cars for loading or unloading of "Railroad" company material while held on "Railroad" tracks or private sidings connecting therewith.
 - 2. Cars of refused or unclaimed freight to be sold by "Railroad" for the time held beyond legal requirements.
 - 3. Empty Cars moving on own wheels under transportation charges as freight.
 - 4. Cars of railroad ownership, leased for storage of commodities, while held on lessee's tracks.
 - 5. Loaded private cars held on private tracks or leased storage tracks.
 - 6. Empty private cars on railroad or private tracks or leased storage tracks.
 - 7. Cars specially equipped for handling welded railroad rail held for loading such rail.
 - 8. Empty cars ordered and rejected as unsuitable for loading.
 - 9. Cars covered by storage or hold charges.
 - 10. Cars assigned to shippers returned empty to point of assignment, to the extent storage rules apply.

ITEM 410
GLOSSARY OF TERMS

For the purposes of applying provisions of this section, the following are defined and will govern:

ACTUAL PLACEMENT – When a car is placed in an accessible position for loading or unloading, or at a point designated by the consignor or consignee.

CONSIGNEE – The party to whom a shipment is consigned or the party entitled to receive the shipment.

CONSIGNOR – The party in whose name cars are ordered or the party who furnished forwarding directions.

CONSTRUCTIVE PLACEMENT – When a car cannot be actually placed because of any condition attributable to the consignor or consignee, including order notify and inbound shipments, such car will be held on “railroad” tracks and notice will be given to the consignor or consignee that the car is held awaiting disposition instructions. Such cars which have been placed by “Railroad” on private or other than public delivery tracks, including lead tracks serving the consignor or consignee will be considered constructively placed without notice.

CREDIT – Non-chargeable demurrage day. Credits can only be earned on those cars released.

DEMURRAGE DAY – A twenty-four (24) hour period, or part thereof, commencing 0001 hours after tender (calendar day).

DIVERSION – An order from the consignor to deliver car to other than original destination.

EMPTY RELEASE INFORMATION – Advice by consignee given to authorized personnel “Railroad” that car is unloaded and available to “Railroad.” Information given must include identity of consignee, party furnishing data, car initial and number.

FORWARDING INSTRUCTIONS – Shipping instructions given to “Railroad” at the point of loading, containing all of the necessary information to transport the shipment to the final destination.

LEASE TRACK – Any trackage assigned to a user through written agreement. Lease track will be treated the same as private track under this Section.

NOTIFICATION – When required, notification will be furnished verbally or in writing to all parties entitled to receive notification.

PRIVATE CAR – A car bearing other than railroad reporting marks and which is not a railroad-controlled car.

PUBLIC DELIVERY TRACK – Any track open to the general public for loading and unloading.

RECONSIGNMENT – An order from the consignor to bill a car to other than the original invoice.

ITEM 420
NOTIFICATION TO CONSIGNOR OR CONSIGNEE

- A. The following notifications will be furnished as indicated:
1. Cars for Other than Public Delivery Tracks:
 - a. Notice of constructive placement if cars are held on "Railroad" tracks due to reasons attributable to the consignor or consignee.
 - b. Delivery of car upon tracks of consignee will constitute notice.
 - c. When two or more parties, each performing their own switching, take delivery of cars from the same interchange track, notice will be given when cars are placed on the interchange track.
 2. Cars for Public Delivery Track:

Notice will be given to the party entitled to receive notification when car is actually placed.
 3. Cars Stopped in Transit:

Notice will be given to consignor, consignee, or owner responsible for the car being stopped upon arrival of the car at the point of stoppage.
 4. Refused Loaded Car:

When a loaded car is refused at destination, "Railroad" will give notice of such refusal to the consignor or owner.
- B. Notification may be given verbally, in writing or electronically, and will contain the following:
1. Car initials and number.
 2. If lading transferred enroute, the initials and number of the original car.
 3. Commodity.

ITEM 450
CARS HELD FOR COMPLETE UNLOADING

Unloading is the complete unloading of a car, including blocking and dunnage, and advice from the consignee to the railroad that the car is empty and available to the railroad.

TENDER:

The notification, actual or constructive placement of a loaded car.

A. RELEASE:

1. Date and time that the railroad received advice that the car is empty.
2. Cars placed on interchange tracks of a consignee doing its own switching, must also be returned to the interchange track for release.
3. When the same car is unloaded and reloaded, empty release information must be furnished. If not furnished, demurrage will continue until forwarding instructions are received.

B. NOTIFICATION TO "RAILROAD":

1. The "Railroad" must be notified of empty releases by phone, fax machine, or through answering machine located in the "Railroad" administrative offices. All notifications must include the car initial and number, date, time, company name, and person doing the notification.
2. When electronic or mechanical devices are used to furnish notification to railroad, the recorded date and time that instructions are received will govern.

C. COMPUTATION:

1. Time will be computed from the first 0001 hours after tender until release.
2. On reloaded cars, time will be computed from the first 0001 hours after advise is received that the car is empty until release.
3. When the same car is unloaded and reloaded, empty release information must be furnished. If not furnished, demurrage will continue until forwarding instructions are received.

ITEM 460
PRIVATE AND RAILROAD CARS HELD FOR OTHER PURPOSES

Applicable to cars held:

- A. On orders of consignor or consignee.
- B. While awaiting disposition from the consignor or consignee.
- C. As a result of conditions attributable to consignor or consignee.

DISPOSITION:

That information, including forwarding instructions or empty release, which allows the railroad to either tender or release the car from the consignor's or consignee's account.

TENDER:

The notification, actual or constructive placement of a loaded car.

RELEASE:

Date and time that the railroad received advice that the car is empty, or that forwarding instructions are received.

COMPUTATION:

Time will be computed from the first 0001 hours:

A. After tender until release, on cars:

1. Diverted.
2. Empty for loading – ordered and not used (other than a rejected car).
3. Partially unloaded.
4. Reconsigned.
5. Reshipped.
6. Stopped in transit.

B. After cars are received by "Railroad" until date of disposition on:

1. Cars received from connecting carriers.
2. Loaded private cars returned to railroad tracks.

C. After tender until date of refusal on:

1. Refused loaded cars (consignee).

D. After tender until date of disposition on:

1. Refused loaded cars (consignor).

E. After tender until release or placement on private tracks on:

1. Loaded private cars – while held on railroad tracks.

ITEM 470
DEMURRAGE PLAN AND PRICES

- A. Demurrage is assessed at the rate of \$50.00 per car per day for all time in excess of 24 hours for loading or 48 hours for unloading from the first 0001 hours after tender until release.
- B. Credit will be applied for the balance of time any car for loading or unloading is released within 24 hours from the first 0001 hours after tender. Credits will be used to offset demurrage time.
- C. Settlement of charges will be made on a monthly basis on all cars released during each calendar month.
- D. Credits earned and demurrage days accrued by customers having facilities at separate stations cannot be combined.
- E. Credits will not be allowed for:
1. Empty cars ordered and not used.
 2. Loaded private cars returned to railroad tracks to be held for disposition.
 3. Cars received from connecting carriers to be held for disposition.
- F. Credits earned and demurrage days accrued will be calculated separately for the following transaction:
- Private and Railroad cars held for other purposes.
- G. Excess credits earned in one calendar month may not be used to offset demurrage days in another calendar month.
- H. Unless otherwise advised, in writing, demurrage charges will be assessed against the consignor at origin or consignee at destination who will be responsible for payment.
- I. Demurrage charges assessed should be paid in full and disputes for adjustment together with supporting documentation must be presented in writing to "Railroad" within thirty (30) days after the date on which the bill for demurrage is rendered.
- J. When for reasons other than "Railroad" error, consignor/consignee fails to pay "Railroad" for assessed demurrage as provided in Item 470 of this tariff, "Railroad" may initiate and pursue the following actions:
1. Assess an additional charge of an amount not to exceed one (1) percent per month of the unpaid charges.

2. Assess an additional charge equal to "Railroad" legal and collection agency costs associated with each adverse collection.
 3. Terminate existing demurrage plan credit extensions and proceed with a prepaid demurrage plan assessing the prepayment of an amount not less than \$350.00 per each car received by consignee or ordered by consignor.
-

ITEM 480

Holidays

An additional day of credit will be allowed for the following Holidays when a specific car has not had a chargeable day prior to said Holiday. If, however, the car has already been charged for a day, all Holidays will also be chargeable.

The following Holidays will apply for additional free time: New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

MNA 6001
(Cancels RATX 6001)

MISSOURI & NORTHERN ARKANSAS RAILROAD

A RailAmerica Company



Freight Tariff MNA 6001

NAMING
DEMURRAGE RULES & CHARGES
AT LOCATIONS ON THE MISSOURI & NORTHERN ARKANSAS RAILROAD

THIS TARIFF APPLIES ON INTERSTATE TRAFFIC AND INTRASTATE TRAFFIC IN THE STATE OF AR,
MO AND KS

NOTICE
THE PROVISIONS HEREIN WILL, IF EFFECTIVE, NOT HAVE A NEGATIVE IMPACT ON THE QUALITY
OF THE HUMAN ENVIRONMENT OR ENERGY CONSUMPTION
FOR GOVERNING CLASSIFICATIONS, SEE ITEM 5

ISSUED: JULY 6, 2005

EFFECTIVE: AUGUST 1, 2005

ISSUED BY:
MISSOURI & NORTHERN ARKANSAS RAILROAD
514 N ORNER

PO BOX 776
CARTHAGE, MO 64836

METHOD OF ADDING, CHANGING OR DELETING ITEMS IN THIS TARIFF

Changes to this tariff will be made by issuing supplements. These supplements will show the action taken on each item, namely:

- A Increase
- C Change resulting in neither an increase nor a decrease
- R Decrease

There will be only one supplement to this tariff in effect at any time. Any item contained in a prior supplement will be brought forward to subsequent supplements.

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| GENERAL RULES AND REGULATIONS | |
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| 5 | <p>DESCRIPTION OF GOVERNING CLASSIFICATION This tariff is governed, except as otherwise provided herein, by Uniform Freight Classification UFC 6000 series, issued by the national Railroad Freight Committee, Agent, supplements thereto or reissues thereof.</p> |
| 10 | <p>STATION LIST AND CONDITIONS This tariff is governed by the Official Railroad Station List, OP SL 6000 series, to the extent shown below:</p> <p>For addition and abandonment of stations, and except as otherwise shown herein, for prepay requirements, changes in names of stations, restrictions as to acceptance or delivery of freight, and changes in station facilities.</p> <p>When a station is abandoned as of a date specified in the above named tariff, the rates from and to such station, as published in this tariff, are inapplicable on and after that date.</p> <p style="text-align: center;">GEOGRAPHICAL LIST OF STATIONS</p> <p>For geographical locations of stations referred to in this tariff by station number.</p> <p style="text-align: center;">STATION NUMBERS</p> <p>For the identification of stations when stations are shown or referred to by numbers in this tariff.</p> |
| 15 | <p>EXPLOSIVES, DANGEROUS ARTICLES For rules and regulations governing the transportation of explosives and other dangerous articles of freight, also specifications for shipping containers and restrictions governing the acceptance and transportation of explosives and other dangerous articles, see Bureau of Explosives Tariff BOE 6000-series.</p> |
| 20 | <p>REFERENCE TO TARIFFS, ITEMS, NOTES AND RULES Where reference is made in this tariff to tariffs, items, notes or rules, such references are continuous and include supplements to and successive issues of such tariffs and reissues of items, notes or rules</p> |
| 40 | <p>CONSECUTIVE NUMBERS Where consecutive numbers are represented in this tariff by the first and last numbers connected by the word "to" or a hyphen, they will be understood to include both the numbers shown.</p> |
| 50 | <p>MILEAGE CHARGES ON PRIVATELY OWNED CARS MNA will not pay mileage charges on privately owned cars when moving to, from or via stations on the MNA.</p> |
| 60 | <p>NATIONAL SERVICE ORDER TARIFF This tariff is subject to the provisions of the various Surface Transportation Board Service Orders and General Permits as shown in National Service Order Tariff STB NSO 6100 series.</p> |

| GENERAL RULES AND REGULATIONS | |
|--------------------------------------|--|
| ITEM | APPLICATION |
| 90 | <p>PAYMENT AND CREDIT TERMS</p> <p>Unless otherwise advised, in writing, demurrage charges will be assessed against the online consignor at origin or consignee at destination.</p> <p>Demurrage charges assessed must be paid in full and disputes for adjustment together with supporting documentation must be presented in writing to MNA within fifteen (15) days after the date on which the bill for demurrage is rendered. Disputes must be car specific and provided in writing. Disputes may be faxed, e-mailed or mailed to MNA administrative office. Fax: 417-358-0981 or 417-358-8800 Ext 238. E-mail: yvonne.sulier@railamerica.com. Mail: 514 N Ormer, PO Box 776, Carthage, MO 64836.</p> <p>When for reasons other than MNA error, consignor/consignee fails to pay MNA for assessed demurrage as provided in Item 470 of this tariff, MNA may assess an additional charge equal to the greater of an amount not to exceed two (2) percent per month of the unpaid charge or the highest rate allowed by law.</p> |
| 100 | <p>HOLIDAYS</p> <p>An additional day of credit will be allowed for the following Holidays when a specific car has not had a chargeable day prior to said Holiday. If, however, the car has already been charged for a day, all Holidays will also be chargeable.</p> <p>The following Holidays will apply for additional free time: New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.</p> |
| 300 | <p>DEFINITION OF TERMS</p> <p>Actual Placement – When a car is placed in an accessible position for loading or unloading, or at a point designated by the consignor or consignee.</p> <p>Consignee – The party to whom a shipment is consigned or the party entitled to receive the shipment.</p> <p>Consignor – The party in whose name cars are ordered or the party who furnished forwarding directions.</p> <p>Constructive Placement – When a car cannot be actually placed because of any condition attributable to the consignor or consignee, including order notify and inbound shipments, such car will be held on MNA tracks and notice will be given to the consignor or consignee that the car is held awaiting disposition instructions. Such cars, which have been placed by MNA on private or other than public delivery tracks, including lead tracks serving the consignor or consignee will be considered to have been constructively placed without notice.</p> <p>Credit – Non-chargeable demurrage day. Credits can only be earned on those cars released.</p> <p>Demurrage Day– A twenty-four (24) hour period, or part thereof, commencing 0001 hours after tender (calendar day).</p> <p>Empty Release Information – Advice by consignor or consignee faxed or emailed to authorized personnel of MNA that car is unloaded and available to MNA. Information given must include identity of consignee, party furnishing data, car initial and number. Date and Time stamp from fax or email will be used in demurrage calculations.</p> <p>Forwarding Instructions– Shipping instructions given to MNA at the point of loading, containing all of the necessary information to transport the shipment to the final destination.</p> <p>Free Time – Free time will be computed from the first 00:01 following actual placement or constructive placement, whichever occurs first, until car is released to railroad. When car is placed on a public</p> |
| 300 | <p>Free Time – Free time will be computed from the first 00:01 following actual placement or constructive placement, whichever occurs first, until car is released to railroad. When car is placed on a public</p> |

| GENERAL RULES AND REGULATIONS | |
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| ITEM | APPLICATION |
| Cont. | <p>delivery track, free time will commence at the first 00:01 after actual placement and after notice of the arrival is given to the party entitled to receive same.</p> <p>Lease Track – Any trackage assigned to a user through written agreement. Lease track will be treated the same as private track under this Section.</p> <p>Notification – When required, notification will be furnished verbally or in writing to all parties entitled to receive notification.</p> <p>Private Car – A car bearing other than railroad reporting marks and which is not a railroad-controlled car.</p> <p>Public Delivery Track – Any track open to the general public for loading and unloading.</p> <p>Reconsignment – An order from the consignor to bill a car to other than the original consignee.</p> |
| 310 | <p>EXCEPTIONS TO DEMURRAGE CHARGES</p> <p>All Railroad and Privately owned cars held for or by consignors or consignees are subject to demurrage rules and charges contained in this section, EXCEPT the following:</p> <p>A. Cars for loading or unloading of MNA company material while held on MNA tracks or private sidings connecting therewith.</p> <p>B. Cars of refused or unclaimed freight to be sold by MNA for the time held beyond legal requirements.</p> <p>C. Empty Cars moving on own wheels under transportation charges as freight.</p> <p>D. Cars of railroad ownership, leased for storage of commodities, while held on lessee's tracks.</p> <p>E. Loaded or empty private cars held on private or leased storage tracks.</p> <p>G. Cars specially equipped for handling welded railroad rail held for loading such rail.</p> <p>H. Empty cars ordered and rejected as unsuitable for loading.</p> <p>I. Cars covered by storage or hold charges.</p> <p>J. Cars assigned to shippers returned empty to point of assignment, to the extent storage rules apply.</p> |
| 400 | <p>NOTIFICATION TO CONSIGNOR OR CONSIGNEE</p> <p>A. The following notifications will be furnished as indicated:</p> <p style="padding-left: 40px;">1. Cars for Other than Public Delivery Tracks:</p> <p style="padding-left: 80px;">a. Notice of constructive placement if cars are held on Acronym tracks due to reasons attributable to the consignor or consignee.</p> <p style="padding-left: 80px;">b. Delivery of car upon tracks of consignee will constitute notice.</p> <p style="padding-left: 80px;">c. When two or more parties, each performing their own switching, take delivery of cars from the same track, notice will be given when cars are placed on the</p> |

| GENERAL RULES AND REGULATIONS | |
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| ITEM | APPLICATION |
| | <p style="text-align: center;">that track.</p> <ol style="list-style-type: none"> 2. Cars for Public Delivery Track: Notice will be given to the party entitled to receive notification when car is actually placed. 3. Cars Stopped in Transit: Notice will be given to consignor, consignee, or owner responsible for the car being stopped upon arrival of the car at the point of stoppage. 4. Refused Loaded Car: When a loaded car is refused at destination, Acronym will give notice of such refusal to the consignor or owner. <p>B. Notification may be given in writing or electronically, and will contain the following:</p> <ol style="list-style-type: none"> 1. Car initials and number, if lading transferred en route, the initials and number of the original car, commodity, time and date. |
| 450 | <p>CARS HELD FOR COMPLETE UNLOADING</p> <p>Unloading is the complete unloading of a car, including blocking and dunnage, and advice from the consignee to the railroad that the car is empty and available to the railroad.</p> <p>The notification, actual or constructive placement of a loaded car.</p> <p>A. RELEASE:</p> <ol style="list-style-type: none"> 1. Date and time that the railroad received advice that the car is empty. 2. Cars placed on interchange tracks of a consignee doing its own switching, must also be returned to the interchange track for release. 3. When the same car is unloaded and reloaded, empty release information must be furnished. If not furnished, demurrage will continue until forwarding instructions are received. <p>B. NOTIFICATION TO MNA:</p> <ol style="list-style-type: none"> 1. The MNA must be notified of empty releases by fax, EDI or e-mail. All notifications must include the car initial and number, date, time, company name, and person providing the notification. 2. When electronic or mechanical devices are used to furnish notification to railroad, the recorded date and time that instructions are received will govern. 3. When notification is received from customer that car is unloaded and released and railroad determines that car is not completely unloaded a charge of \$125 will be assessed and demurrage charges will continue to be assessed until actual release. <p>C. COMPUTATION:</p> <ol style="list-style-type: none"> 1. Time will be computed from the first 0001 hours after tender until release. |

| GENERAL RULES AND REGULATIONS | |
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| ITEM | APPLICATION |
| | <p>2. On reloaded cars, time will be computed from the first 0001 hours after advice is received that the car is empty until release.</p> <p>3. When the same car is unloaded and reloaded, empty release information must be furnished. If not furnished, demurrage will continue until forwarding instructions are received.</p> |
| 455 | <p>CARS HELD FOR LOADING Loading is the complete or partial loading of a car in conformity with MNA loading and clearance rules, and the furnishing of Forwarding Instructions.</p> <p>The notification, actual or constructive placement of an empty car placed on orders of the consignor.</p> <p>A. RELEASE:</p> <ol style="list-style-type: none"> 1. Date and time Forwarding Instructions are received. 2. Cars placed on tracks of a consignor doing its own switching must be returned to the interchange by the consignor to be considered released. 3. Cars found to be improperly loaded or overloaded at origin will not be considered released until the load has been adjusted properly. 4. A car to be held for official grading or inspection at origin will not be considered released until such time as the grading and inspection is complete. <p>B. NOTIFICATION TO RAILROADS:</p> <ol style="list-style-type: none"> 1. MNA must receive complete Forwarding Instructions by EDI, fax or email before a car will be considered to be released. 2. When Forwarding Instructions are received, the recorded date and time instructions are received will govern. 3. If, after receipt of Forwarding Instructions, the MNA determines after arriving at our customers facility that a car is not ready to move, MNA will assess a charge of \$125 and demurrage charges will continue to be assessed until actual release. <p>C. COMPUTATION:</p> <ol style="list-style-type: none"> 1. Time will be computed from the first 0001 hours after tender until release. 2. If a car is placed prior to the date for which it was ordered from MNA, time will be computed from the first 0001 hours on the date for which it was ordered until its release. 3. On cars for reloading: Demurrage time for the UNLOADING cycle will terminate and demurrage time for the (RE)LOADING cycle will be computed from the first 0001 hours after notification received by MNA that the car is empty. Demurrage time for LOADING will continue until the car is released to MNA loaded. Car will NOT be |

| GENERAL RULES AND REGULATIONS | |
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| ITEM | APPLICATION |
| | <p>considered released until complete Forwarding Instructions are received by MNA and all car doors and hatches are closed for movement.</p> <p>4. When a car is actually placed, or constructive placed, and released prior to 23:59 hours same day, no demurrage day will be accrued.</p> <p>5. When an empty car is placed for loading and movement via a specific route in conformity with Car Service Rules and/or directives, and the loaded car is offered for movement via some other route and refused by the railway necessitating unloading, demurrage shall be charged from the first 0001 hour after placement until the car is loaded and no credit allowance shall be made.</p> |
| 460 | <p>PRIVATE AND RAILROAD CARS HELD FOR OTHER PURPOSES</p> <p>Applicable to cars held on orders of consignor or consignee, while awaiting disposition from the consignor or consignee or as a result of conditions attributable to consignor or consignee.</p> <p>Disposition - That information, including forwarding instructions or empty release, which allows the railroad to either tender or release the car from the consignor's or consignee's account.</p> <p>RELEASE:</p> <p>Date and time that the railroad received advice that the car is empty, or that forwarding instructions are received.</p> <p>COMPUTATION:</p> <p>Time will be computed from the first 0001 hours:</p> <p>A. After tender until release, on cars:</p> <ol style="list-style-type: none"> 1. Diverted. 2. Empty for loading – ordered and not used (other than a rejected car). 3. Partially unloaded. 4. Reconsigned. 5. Reshipped. 6. Stopped in transit. |

| GENERAL RULES AND REGULATIONS | |
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| ITEM | APPLICATION |
| 460 Cont. | <p>B. After cars are received by MNA until date of disposition on:</p> <ol style="list-style-type: none">1. Cars received from connecting carriers.2. Loaded private cars returned to railroad tracks. <p>C. After tender until date of refusal on:</p> <ol style="list-style-type: none">1. Refused loaded cars (consignee). <p>D. After tender until date of disposition on:</p> <ol style="list-style-type: none">1. Refused loaded cars (consignor). <p>E. After tender until release or placement on private tracks on:</p> <ol style="list-style-type: none">1. Loaded private cars – while held on railroad tracks. |

| SECTION 2 – DEMURRAGE PLAN AND PRICES | |
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| ITEM | APPLICATION |
| 500 | <p>DEMURRAGE PLAN AND PRICES</p> <p>A. Demurrage is assessed at the rate of \$65 per car per day for all time in excess of 24 hours for loading or 48 hours for unloading from the first 0001 hours after tender until release.</p> <p>B. Credit will be applied for the balance of time any car for loading or unloading is released within 24 hours from the first 0001 hours after tender. Credits will be used to offset demurrage time. A maximum of one credit per car will be allowed.</p> <p>C. Settlement of charges will be made on a monthly basis on all cars released during each calendar month.</p> <p>D. Credits earned and demurrage days accrued by customers having facilities at separate stations cannot be combined.</p> <p>E. Credits will not be allowed for:</p> <ol style="list-style-type: none"> 1. Empty cars ordered and not used. 2. Loaded private cars returned to railroad tracks to be held for disposition. 3. Cars received from connecting carriers to be held for disposition. <p>F. Credits earned and demurrage days accrued will be calculated separately for the following transaction:</p> <p style="padding-left: 40px;">Private and Railroad cars held for other purposes.</p> <p>G. Excess credits earned in one calendar month may not be used to offset demurrage days in another calendar month.</p> |
| 600 | <p>HEAVY DUTY OR SPECIAL TYPE FLATCARS</p> <p>If a shipment requires the use of a heavy duty or special type flat car with AAR mechanical designations "FD", "FW" or "FML", use and detention charges for such cars as provided in Tariff RIC 6740-series (TEA series) will apply in lieu of rates and charges contained herein.</p> |

| SECTION 2 – DEMURRAGE PLAN AND PRICES | |
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| ITEM | APPLICATION |
| 700 | <p>HAZARDOUS COMMODITY</p> <p>The shipper of any hazardous commodity shipped via MNA shall indemnify MNA and hold MNA harmless for any and all loss, liability or cost whatsoever that MNA may incur or be held responsible for, to the extent that such liability is due to, or arising from, defects in or failure of shipper's cars and equipment, due to shipper's failure to conduct proper or appropriate pre-shipment inspection of the cars as described in 49 CFR Sec. 173.31 (b) or mis-identification of commodity shipped.</p> <p>The foregoing indemnification shall not apply to any loss or liability caused by or due to MNA's failure to conduct pre-departure inspections as described in 49 CFR Sec. 174(A) or failure to follow AAR interchange rules, or any other liability resulting from MNA's negligence.</p> <p>After the expiration of any free time allowed, or without free time allowance where none is provided, the following charges will apply per day of twenty-four (24) hours, or fraction thereof, until removal from RR premises:</p> <ul style="list-style-type: none"> A. Class A-Explosives: <ul style="list-style-type: none"> 1. \$110.00 per car per day, will apply on cars held on MNA premises. B. Class B and C – Explosives <ul style="list-style-type: none"> 1. \$110.00 per car per day, will apply cars held on MNA premises C. Hazardous Materials, Substances, Wastes, Other Than Explosives <ul style="list-style-type: none"> 1. \$110.00 per car per day, will apply on cars held on railroad premises <p>The above provisions apply to shipments of classes A,B or C explosives, as named in Part 172 Commodity List of Tariff BOE 6000-Series, hazardous materials, substances or wastes requiring the use of a 4-digit identification number on shipping papers, placards or panels, as named in Part 11, Section 172.101 of Tariff BOE 6000-Series, while head on MNA premises.</p> <p>Customer (defined for the purpose of this item as consignee of the empty railcar) will be subject to a storage charge of \$110.00 per day per car on empty privately marked tank cars and privately marked covered hoppers, if the railcar's prior movement carried a STCC code referenced in this item.</p> |

MISSOURI & NORTHERN ARKANSAS RAILROAD

A RailAmerica Company



Freight Tariff MNA 6001-B

NAMING
DEMURRAGE RULES & CHARGES
AT LOCATIONS ON THE MISSOURI & NORTHERN ARKANSAS RAILROAD

THIS TARIFF APPLIES ON INTERSTATE TRAFFIC AND INTRASTATE TRAFFIC IN THE STATE OF AR,
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NOTICE
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OF THE HUMAN ENVIRONMENT OR ENERGY CONSUMPTION
FOR GOVERNING CLASSIFICATIONS, SEE ITEM 5

ISSUED: JULY 25, 2006

EFFECTIVE: JULY 25, 2006

ISSUED BY:
MISSOURI & NORTHERN ARKANSAS RAILROAD
514 N ORNER
PO BOX 776
JOPLIN, MO 64836

METHOD OF ADDING, CHANGING OR DELETING ITEMS IN THIS TARIFF

Changes to this tariff will be made by issuing supplements. These supplements will show the action taken on each item, namely:

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| GENERAL RULES AND REGULATIONS | |
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| 60 | <p>This section intentionally left blank</p> |

| GENERAL RULES AND REGULATIONS | |
|--------------------------------------|--|
| ITEM | APPLICATION |
| 90 | <p>PAYMENT AND CREDIT TERMS Unless otherwise advised, in writing, demurrage charges will be assessed against the online consignor at origin or consignee at destination.</p> <p>Demurrage charges assessed must be paid in full and disputes for adjustment together with supporting documentation must be presented in writing to MNA within fifteen (15) days after the date on which the bill for demurrage is rendered. Disputes must be car specific and provided in writing. Disputes may be -faxed, e-mailed or mailed to MNA administrative office. Fax: 417-358-0981 Phone: 417-358-8800 Ext. 238. E-mail: Yvonne.sulier@railamerica.com Mail: Yvonne Sulier, PO Box 776, Carthage, MO 64836.</p> <p>When for reasons other than MNA error, consignor/consignee fails to pay MNA for assessed demurrage as provided in Item 500 of this tariff, MNA may assess an additional charge equal to the greater of an amount not to exceed two (2) percent per month of the unpaid charge or the highest rate allowed by law.</p> |
| 100 - C | <p>HOLIDAYS An additional day of credit will be allowed for the following Holidays when a specific car has not had a chargeable day prior to said Holiday. If, however, the car has already been charged for a day, all Holidays will also be chargeable.</p> <p>The following Holidays will apply for additional free time: New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day following Thanksgiving Day, Christmas Eve Day and Christmas Day.</p> |
| 300 | <p>DEFINITION OF TERMS Actual Placement – When a car is placed in an accessible position for loading or unloading, or at a point designated by the consignor or consignee.</p> <p>Consignee – The party to whom a shipment is consigned or the party entitled to receive the shipment.</p> <p>Consignor – The party in whose name cars are ordered or the party who furnished forwarding directions.</p> <p>Constructive Placement – When a car cannot be actually placed because of any condition attributable to the consignor or consignee, including order notify and inbound shipments, such car will be held on MNA tracks and notice will be given to the consignor or consignee that the car is held awaiting disposition instructions. Such cars, which have been placed by MNA on private or other than public delivery tracks, including lead tracks serving the consignor or consignee will be considered to have been constructively placed without notice.</p> <p>Credit – Non-chargeable demurrage day. Credits can only be earned on those cars released.</p> <p>Demurrage Day– A twenty-four (24) hour period, or part thereof, commencing 00:01 hours after tender (calendar day).</p> <p>Empty Release Information – Advice by consignor or consignee faxed or emailed to authorized personnel of MNA that car is unloaded and available to MNA. Information given must include identity of consignee, party furnishing data, car initial and number. Date and Time stamp from fax or email will be used in demurrage calculations.</p> <p>Forwarding Instructions– Shipping instructions given to MNA at the point of loading, containing all of the necessary information to transport the shipment to the final destination.</p> |

| GENERAL RULES AND REGULATIONS | |
|--------------------------------------|---|
| ITEM | APPLICATION |
| 300 (cont'd) | <p>Free Time – Free time will be computed from the first 00:01 following actual placement or constructive placement, whichever occurs first, until car is released to railroad. When car is placed on a public delivery track, free time will commence at the first 00:01 after actual placement and after notice of the arrival is given to the party entitled to receive same.</p> <p>Lease Track – Any trackage assigned to a user through written agreement. Lease track will be treated the same as private track under this Section.</p> <p>Notification – When required, notification will be furnished verbally or in writing to all parties entitled to receive notification.</p> <p>Private Car – A car bearing other than railroad reporting marks and which is not a railroad-controlled car.</p> <p>Public Delivery Track – Any track open to the general public for loading and unloading.</p> <p>Reconsignment – An order from the consignor to bill a car to other than the original consignee.</p> <p>Tender - When MNA gives notification that a car is available for unloading or loading by either actual or constructive placement to consignor or consignee</p> |
| 310 | <p>EXCEPTIONS TO DEMURRAGE CHARGES</p> <p>All Railroad and Privately owned cars held for or by consignors or consignees are subject to demurrage rules and charges contained in this section, EXCEPT the following:</p> <ul style="list-style-type: none"> A. Cars for loading or unloading of MNA company material while held on MNA tracks or private sidings connecting therewith. B. Cars of refused or unclaimed freight to be sold by MNA for the time held beyond legal requirements. C. Empty Cars moving on own wheels under transportation charges as freight. D. Cars of railroad ownership, leased for storage of commodities, while held on lessee's tracks. E. Loaded or empty private cars held on private or leased storage tracks. F. Cars specially equipped for handling welded railroad rail held for loading such rail. G. Empty cars ordered and rejected as unsuitable for loading. H. Cars covered by storage or hold charges. I. Cars assigned to shippers returned empty to point of assignment, to the extent storage rules apply. |
| 400 | NOTIFICATION TO CONSIGNOR OR CONSIGNEE |

| GENERAL RULES AND REGULATIONS | |
|--------------------------------------|---|
| ITEM | APPLICATION |
| | <p>A. The following notifications will be furnished as indicated:</p> <ol style="list-style-type: none"> 1. Cars for Other than Public Delivery Tracks: <ol style="list-style-type: none"> a Notice of constructive placement if cars are held on Acronym tracks due to reasons attributable to the consignor or consignee. b Delivery of car upon tracks of consignee will constitute notice. c When two or more parties, each performing their own switching, take delivery of cars from the same track, notice will be given when cars are placed on the that track. 2. Cars for Public Delivery Track: Notice will be given to the party entitled to receive notification when car is actually placed 3. Cars Stopped in Transit: Notice will be given to consignor, consignee, or owner responsible for the car being stopped upon arrival of the car at the point of stoppage. 4. Refused Loaded Car: When a loaded car is refused at destination, Acronym will give notice of such refusal to the consignor or owner. <p>B. Notification may be given in writing or electronically, and will contain the following:</p> <ol style="list-style-type: none"> 1. Car initials and number, if lading transferred en route, the initials and number of the original car, commodity, time and date. |
| 450 | <p>CARS HELD FOR COMPLETE UNLOADING</p> <p>Unloading is the complete unloading of a car, including blocking and dunnage, and advice from the consignee to the railroad that the car is empty and available to the railroad.</p> <p>The notification, actual or constructive placement of a loaded car.</p> <p>A. RELEASE:</p> <ol style="list-style-type: none"> 1. Date and time that the railroad received advice that the car is empty. 2. Cars placed on interchange tracks of a consignee doing its own switching, must also be returned to the interchange track for release. 3. When the same car is unloaded and reloaded, empty release information must be furnished. If not furnished, demurrage will continue until forwarding instructions are received. <p>B. NOTIFICATION TO MNA:</p> <ol style="list-style-type: none"> 1. The MNA must be notified of empty releases by fax, EDI or e-mail. All notifications must include the car initial and number, date, time, company name, and person providing the notification. 2. When electronic or mechanical devices are used to furnish notification to railroad, the recorded date and time that instructions are received will govern. |
| 450 (cont'd) | |

| GENERAL RULES AND REGULATIONS | |
|--------------------------------------|--|
| ITEM | APPLICATION |
| | <p>3. When notification is received from customer that car is unloaded and released and railroad determines that car is not completely unloaded a charge of \$125 will be assessed and demurrage charges will continue to be assessed until actual release.</p> <p>C. COMPUTATION:</p> <p>1. Time will be computed from the first 00:01 hours after tender until release.</p> <p>2. On reloaded cars, time will be computed from the first 00:01 hours after advice is received that the car is empty until release.</p> <p>3. When the same car is unloaded and reloaded, empty release information must be furnished. If not furnished, demurrage will continue until forwarding instructions are received.</p> |
| 455 | <p>CARS HELD FOR LOADING Loading is the complete or partial loading of a car in conformity with MNA loading and clearance rules, and the furnishing of Forwarding Instructions.</p> <p>The notification, actual or constructive placement of an empty car placed on orders of the consignor.</p> <p>A. RELEASE:</p> <p>1. Date and time Forwarding Instructions are received.</p> <p>2. Cars placed on tracks of a consignor doing its own switching must be returned to the interchange by the consignor to be considered released.</p> <p>3. Cars found to be improperly loaded or overloaded at origin will not be considered released until the load has been adjusted properly.</p> <p>4. A car to be held for official grading or inspection at origin will not be considered released until such time as the grading and inspection is complete.</p> <p>B. NOTIFICATION TO RAILROADS:</p> <p>1. MNA must receive complete Forwarding Instructions by EDI, fax or email before a car will be considered to be released.</p> <p>2. When Forwarding Instructions are received, the recorded date and time instructions are received will govern.</p> <p>3. If, after receipt of Forwarding Instructions, the MNA determines after arriving at our customer's facility that a car is not ready to move, MNA will assess a charge of \$125 and demurrage charges will continue to be assessed until actual release.</p> |
| 455 (cont'd) | <p>COMPUTATION:</p> <p>1. Time will be computed from the first 00:01 hours after tender until release.</p> |

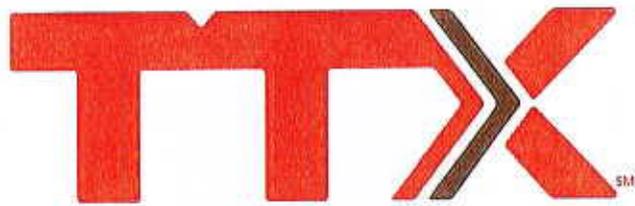
| GENERAL RULES AND REGULATIONS | |
|--------------------------------------|--|
| ITEM | APPLICATION |
| | <ol style="list-style-type: none"> 2. If a car is placed prior to the date for which it was ordered from "Railroad," time will be computed from the first 00:01 hours on the date for which it was ordered until its release. 3. On cars for reloading: Demurrage time for the UNLOADING cycle will terminate and demurrage time for the (RE)LOADING cycle will be computed from the first 00:01 hours after notification received by MNA that the car is empty. Demurrage time for LOADING will continue until the car is released to MNA loaded. Car will NOT be considered released until complete Forwarding Instructions are received by MNA and all car doors and hatches are closed for movement. 4. When a car is actually placed, or constructive placed, and released prior to 23:59 hours same day, no demurrage day will be accrued. 5. When an empty car is placed for loading and movement via a specific route in conformity with Car Service Rules and/or directives, and the loaded car is offered for movement via some other route and refused by the railway necessitating unloading, demurrage shall be charged from the first 0001 hour after placement until the car is loaded and no credit allowance shall be made. |
| 460 | <p>PRIVATE AND RAILROAD CARS HELD FOR OTHER PURPOSES Applicable to cars held on orders of consignor or consignee, while awaiting disposition from the consignor or consignee or as a result of conditions attributable to consignor or consignee.</p> <p>Disposition - That information, including forwarding instructions or empty release, which allows the railroad to either tender or release the car from the consignor's or consignee's account.</p> <p>RELEASE:</p> <p>Date and time that the railroad received advice that the car is empty, or that forwarding instructions are received.</p> <p>COMPUTATION:</p> <p>Time will be computed from the first 00:01 hours:</p> <p>A. After tender until release, on cars:</p> <ol style="list-style-type: none"> 1. Diverted. 2. Empty for loading – ordered and not used (other than a rejected car). 3. Partially unloaded. 4. Reconsigned. 5. Reshipped. 6. Stopped in transit. |

| GENERAL RULES AND REGULATIONS | |
|--------------------------------------|--|
| ITEM | APPLICATION |
| 460 (cont'd) | <p>B. After cars are received by MNA until date of disposition on:</p> <ol style="list-style-type: none">1. Cars received from connecting carriers.2. Loaded private cars returned to railroad tracks. <p>C. After tender until date of refusal on:</p> <ol style="list-style-type: none">1. Refused loaded cars (consignee). <p>D. After tender until date of disposition on:</p> <ol style="list-style-type: none">1. Refused loaded cars (consignor). <p>E. After tender until release or placement on private tracks on:</p> <ol style="list-style-type: none">1. Loaded private cars -- while held on railroad tracks. |

| SECTION 2 – DEMURRAGE PLAN AND PRICES | |
|--|---|
| ITEM | APPLICATION |
| 500 | <p>DEMURRAGE PLAN AND PRICES</p> <p>A. Demurrage is assessed at the rate of \$65 per car per day for all time in excess of 24 hours for loading or 48 hours for unloading from the first 00:01 hours after tender until release.</p> <p>B. Credit will be applied for the balance of time any car for loading or unloading is released within 24 hours from the first 00:01 hours after tender. Credits will be used to offset demurrage time. A maximum of one credit per car will be allowed. Credits earned for complete loading may only be used to offset demurrage days accrued for complete loading and credits earned for complete unloading may only be used to offset demurrage days accrued for complete unloading.</p> <p>C. Settlement of charges will be made on a monthly basis on all cars released during each calendar month.</p> <p>D. Credits earned and demurrage days accrued by customers having facilities at separate stations cannot be combined.</p> <p>E. Credits will not be allowed for:</p> <ol style="list-style-type: none"> 1. Empty cars ordered and not used. 2. Loaded private cars returned to railroad tracks to be held for disposition. 3. Cars received from connecting carriers to be held for disposition. <p>F. Credits earned and demurrage days accrued will be calculated separately for the following transaction:</p> <p style="padding-left: 40px;">Private and Railroad cars held for other purposes.</p> <p>G. Excess credits earned in one calendar month may not be used to offset demurrage days in another calendar month.</p> |
| 600 | <p>HEAVY DUTY OR SPECIAL TYPE FLATCARS</p> <p>If a shipment requires the use of a heavy duty or special type flat car with AAR mechanical designations "FD", "FW" or "FML", use and detention charges for such cars as provided in Tariff RIC 6740-series (TEA series) will apply in lieu of rates and charges contained herein.</p> |

| SECTION 2 – DEMURRAGE PLAN AND PRICES | |
|--|--|
| ITEM | APPLICATION |
| 700 | <p>HAZARDOUS COMMODITY</p> <p>The shipper of any hazardous commodity shipped via MNA shall indemnify MNA and hold MNA harmless for any and all loss, liability or cost whatsoever that MNA may incur or be held responsible for, to the extent that such liability is due to, or arising from, defects in or failure of shipper's cars and equipment, due to shipper's failure to conduct proper or appropriate pre-shipment inspection of the cars as described in 49 CFR Sec. 173.31 (b) or mis-identification of commodity shipped.</p> <p>The foregoing indemnification shall not apply to any loss or liability caused by or due to MNA's failure to conduct pre-departure inspections as described in 49 CFR Sec. 174 (A) or failure to follow AAR interchange rules, or any other liability resulting from MNA's negligence.</p> <p>After the expiration of any free time allowed, or without free time allowance where none is provided, the following charges will apply per day of twenty-four (24) hours, or fraction thereof, until removal from MNA's premises:</p> <ul style="list-style-type: none"> A. Class A-Explosives: <ul style="list-style-type: none"> 1. \$110.00 per car per day, will apply on cars held on MNA premises. B. Class B and C – Explosives <ul style="list-style-type: none"> 1. \$110.00 per car per day, will apply cars held on MNA premises C. Hazardous Materials, Substances, Wastes, Other Than Explosives <ul style="list-style-type: none"> 1. \$110.00 per car per day, will apply on cars held on MNA premises <p>The above provisions apply to shipments of classes A,B or C explosives, as named in Part 172 Commodity List of Tariff BOE 6000-Series, hazardous materials, substances or wastes requiring the use of a 4-digit identification number on shipping papers, placards or panels, as named in Part 11, Section 172.101 of Tariff BOE 6000-Series, while held on MNA premises.</p> <ul style="list-style-type: none"> D. Empty Railcars Formerly Containing Hazardous Materials or Explosives <ul style="list-style-type: none"> 1. \$110.00 per car per day will apply to the Customer (defined for the purpose of this subsection as the consignee of the empty railcar) for each empty tank car and privately marked covered hopper, if the railcar's prior movement contained any of the items referenced in A., B. or C. above. |

EXHIBIT B-TTX



FORWARD THINKING.

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**Northeast Association of Rail
Shippers**

April 24, 2008

Andrew F Reardon Jr.

Manager Market Development



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**Northeast Association of Rail
Shippers**

April 24, 2008

Andrew F Reardon Jr.

Manager Market Development



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Company Overview

Stock exclusively held by Class 1 railroads:



Ferromex



- Own, operate, maintain national pool of railcars
- Pooling approved by Surface Transportation Board
- Functions as a cooperative (owners are only customers)
- Manage multi-level Reload project & North American Boxcar Pool
- Stand alone firm

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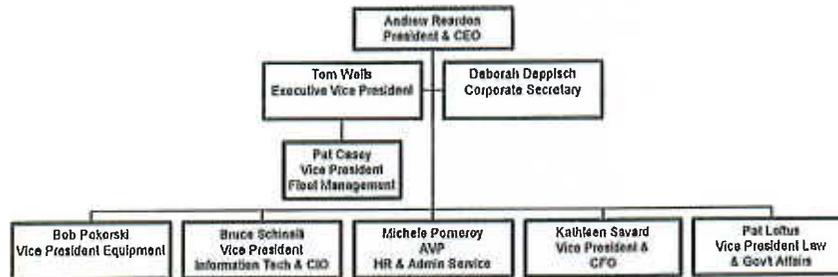
TTX's Benefit to Railroads

- Competitive source of equipment:
 - Efficient pools reduce empty miles
- No owner capital cost for new equipment
- Virtually eliminates owners' equipment risks:
 - Five-day turn-back on most cars
 - Modification of cars for alternative uses
- Market analysis and planning
- Engineering research and development

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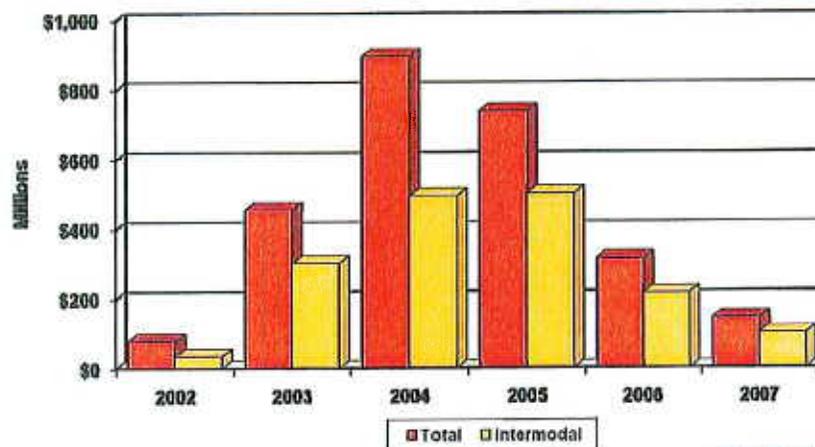
TTX's Senior Management



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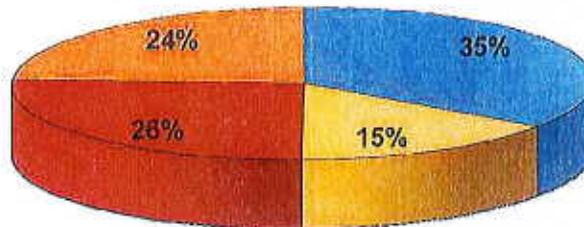
TTX Capital Expenditures (New Railcars)



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TTX Railcar Fleet



| | |
|----------------|---------------------------|
| ■ Double Stack | ■ Conventional Intermodal |
| ■ Automotive | ■ General Service |



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Fleet Types

- Intermodal
 - Double Stack
 - Stand Alone
 - Articulated
 - Conventional
- Automotive
 - Bi & Tri-levels
 - Frame flats
- General Service
 - Heavy Duty
 - Flat & Depressed decks
 - 105 – 370 ton capacity
 - Centerbeams
 - 62-ft Bulkhead
 - Chain Tie-down
 - 89-ft Flats (70 & 110 ton)
 - Pipe, steel & other products
 - Boxcars
 - Gondolas
 - Experimental
 - TTUX
 - Flat car of the Future



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Market Development, Market Research & Planning

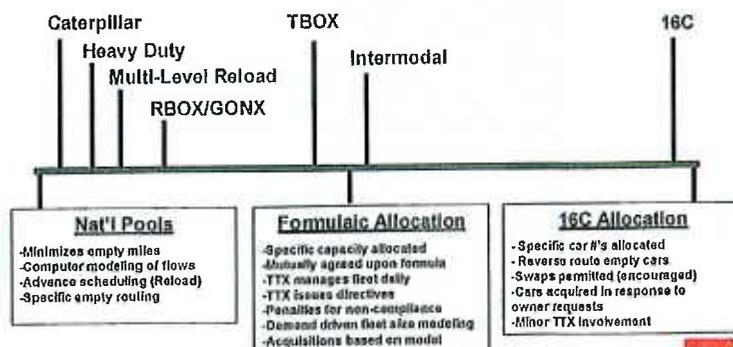
- Create TTX's 4-year Business Plan
 - Plan prepared annually
 - Includes economic forecasts and acquisition plans (sufficient size and correct mix)
- Conduct quantitative and qualitative market research
- Product Development
- Operating Control Services (Railcar Mgmt Services)
 - AAR Repair Shop Auditing
 - Shop Car Tracking



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Distribution Services

- Oversees the distribution of 220,000 intermodal platforms and railcars
- Coordinates car movements to and from shops
- Different car management strategies depending upon fleet type



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Supply Management

- Purchases new equipment and components
- Developed and manages SECO process to award and rank suppliers
- Responsible for logistics, warehousing, and distribution of maintenance components
- TTX quality inspectors on site at TTX division shops, independent repair facilities and car builders

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2007 Maintenance Operations

- 3 Major Repair Shops
 - CA, FL, & SC
 - 15,000 + repairs / rebuilds in 2007
 - 1 million + hours
- 39 Light Repair Facilities (FMO's)
 - 250,000 repairs + in 2007
 - 700,000 + hours
 - Located at key terminals

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Engineering Services

- Product Development
- Equipment design and testing
- Specification development
- Stress analysis
- Car drawings and records
- AAR audit inspections
- Performance monitoring – cars & components
- Web based maintenance training
- On-line catalog of parts

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Summary

- Economical source of equipment:
 - Lowest practicable car hire rates
- Capital Conservation - no owner capital for new equipment
- Manage North America-wide pools
 - Reduce empty car miles
 - Pools further reduce capital requirements
- Virtually eliminates owners' equipment ownership risks:
 - Five-day turn-back on most cars
 - Modification of cars for alternative uses
- Market analysis and planning
- Engineering research and development

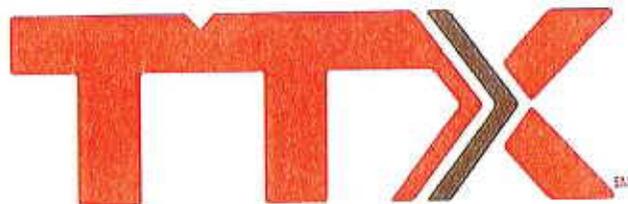
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TTX's Newest Car Type: Uni-Level



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FORWARD THINKING.

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EXHIBIT C-CONSTRUCTIVE PLACEMENT NOTIFICATIONS

RAILROAD SALVAGE RESTORATION

10TH & MAIN

P.O. BOX 224

JOPLIN, MO 64801

Attn: LEE JACKSON

You are hereby notified that the following cars, consigned to, or ordered to or by you, cannot be delivered on account of your inability to receive, or because of other conditions attributable to you, and tender of same is hereby made. These cars are subject to the demurrage rules published in the tariffs lawfully on file, and charges in accordance therewith will be made for detention beyond the free time therein provided.

| Initial | Number | Datetime | Commodity |
|---------|--------|----------------|-----------|
| SP | 365158 | 01/24/06 08:00 | RODS IORS |
| MP | 650891 | 01/24/06 08:00 | RODS IORS |
| MP | 650048 | 01/24/06 08:00 | RODS IORS |
| CHTT | 360304 | 01/24/06 08:00 | RODS IORS |
| CHTT | 360325 | 01/24/06 08:00 | RODS IORS |

PAC 1/26 Rel 2/1

I HEREBY CERTIFY THAT THE COPY OF THIS NOTICE WAS MAILED/FAXED TO THE SHIPPER OR CONSIGNEE NAMED HEREIN ON 1-24-06 0800

[Handwritten signature]

AGENT - MNA

RAILROAD SALVAGE RESTORATION

10TH & MAIN

P.O. BOX 224

JOPLIN, MO 64801

Attn: LEE JACKSON

You are hereby notified that the following cars, consigned to, or ordered to or by you, cannot be delivered on account of your inability to receive, or because of other conditions attributable to you, and tender of same is hereby made. These cars are subject to the demurrage rules published in the tariffs lawfully on file, and charges in accordance therewith will be made for detention beyond the free time therein provided.

| Initial | Number | Datetime | Commodity |
|---------|--------|----------------|----------------|
| CNW | 137105 | 01/24/06 08:00 | RODS IORS |
| MP | 651145 | 01/24/06 08:00 | RODS IORS |
| CMHX | 65016 | 01/24/06 08:00 | CRS,RWY FRT,NN |
| CMHX | 65004 | 01/24/06 08:00 | CRS,RWY FRT,NN |

PAC 1/24/06 P.O. Box 224

I HEREBY CERTIFY THAT THE COPY OF THIS NOTICE WAS MAILED/FAXED TO THE SHIPPER OR CONSIGNEE NAMED HEREIN ON

MO 1-24-06 0800

AGENT - MNA

RAILROAD SALES

N/S

Attn:

You are hereby notified that the following cars, consigned to, or ordered to or by you, cannot be delivered on account of your inability to receive, or because of other conditions attributable to you, and tender of same is hereby made. These cars are subject to the demurrage rules published in the tariffs lawfully on file, and charges in accordance therewith will be made for detention beyond the free time therein provided.

| Initial | Number | Datetime | Commodity |
|---------|--------|----------------|-----------|
| MNA | 435 | 04/10/06 07:00 | |
| MNA | 427 | 04/10/06 07:00 | |

pac 4/11 - 800 4/12

I HEREBY CERTIFY THAT THE COPY OF THIS NOTICE WAS MAILED/FAXED TO THE SHIPPER OR CONSIGNEE NAMED HEREIN ON 4/10/06

AGENT - MNA

4

RAILROAD SALVAGE RESTORATION

10TH & MAIN

P.O. BOX 224

JOPLIN, MO 64801

Attn: LEE JACKSON

You are hereby notified that the following cars, consigned to, or ordered to or by you, cannot be delivered on account of your inability to receive, or because of other conditions attributable to you, and tender of same is hereby made. These cars are subject to the demurrage rules published in the tariffs lawfully on file, and charges in accordance therewith will be made for detention beyond the free time therein provided.

| Initial | Number | Datetime | Commodity |
|---------|--------|----------------|--------------|
| HS | 10493 | 07/31/06 15:00 | SCRAP I OR S |
| CMHX | 65030 | 07/31/06 15:00 | SCRAP I OR S |
| CMHX | 52009 | 07/31/06 15:00 | SCRAP I OR S |
| CMHX | 65009 | 07/31/06 15:00 | SCRAP I OR S |

PAC
RIS
8/9

I HEREBY CERTIFY THAT THE COPY OF THIS NOTICE WAS MAILED/FAXED TO THE SHIPPER OR CONSIGNEE NAMED HEREIN ON 7-31-06 1500

MNA

AGENT - MNA

8. 461

15

RAILROAD SALVAGE RESTORATION
10TH & MAIN
P.O. BOX 224
JOPLIN, MO 64801

Attn: LEE JACKSON

You are hereby notified that the following cars, consigned to, or ordered to or by you, cannot be delivered on account of your inability to receive, or because of other conditions attributable to you, and tender of same is hereby made. These cars are subject to the demurrage rules published in the tariffs lawfully on file, and charges in accordance therewith will be made for detention beyond the free time therein provided.

| Initial | Number | Datetime | Commodity |
|---------|--------|----------------|-----------|
| SP | 323171 | 08/08/06 08:30 | RAILS |

I HEREBY CERTIFY THAT THE COPY OF THIS NOTICE WAS MAILED/FAXED TO THE SHIPPER OR CONSIGNEE NAMED HEREIN ON MO 8-8-06 0830

AGENT - MNA

No Sales

G. F. WIEDEMAN INTERNATIONAL INC.
1715 JOPLIN STREET SUITE D

JOPLIN, MO 64804

Total of 78

Attn:

You are hereby notified that the following cars, consigned to, or ordered to or by you, cannot be delivered on account of your inability to receive, or because of other conditions attributable to you, and tender of same is hereby made. These cars are subject to the demurrage rules published in the tariffs lawfully on file, and charges in accordance therewith will be made for detention beyond the free time therein provided.

| Initial | Number | Datetime | Commodity |
|---------|--------|----------------|-----------|
| MP | 641359 | 09/22/06 01:32 | RODS IORS |
| MP | 650705 | 09/22/06 01:32 | RODS IORS |
| MP | 651202 | 09/22/06 01:32 | RODS IORS |

W.C. FIS
9/25 + 9/26

I HEREBY CERTIFY THAT THE COPY OF THIS NOTICE WAS MAILED/FAXED TO THE SHIPPER OR CONSIGNEE NAMED HEREIN ON 9/22/06

Mark Lovel

AGENT - MNA